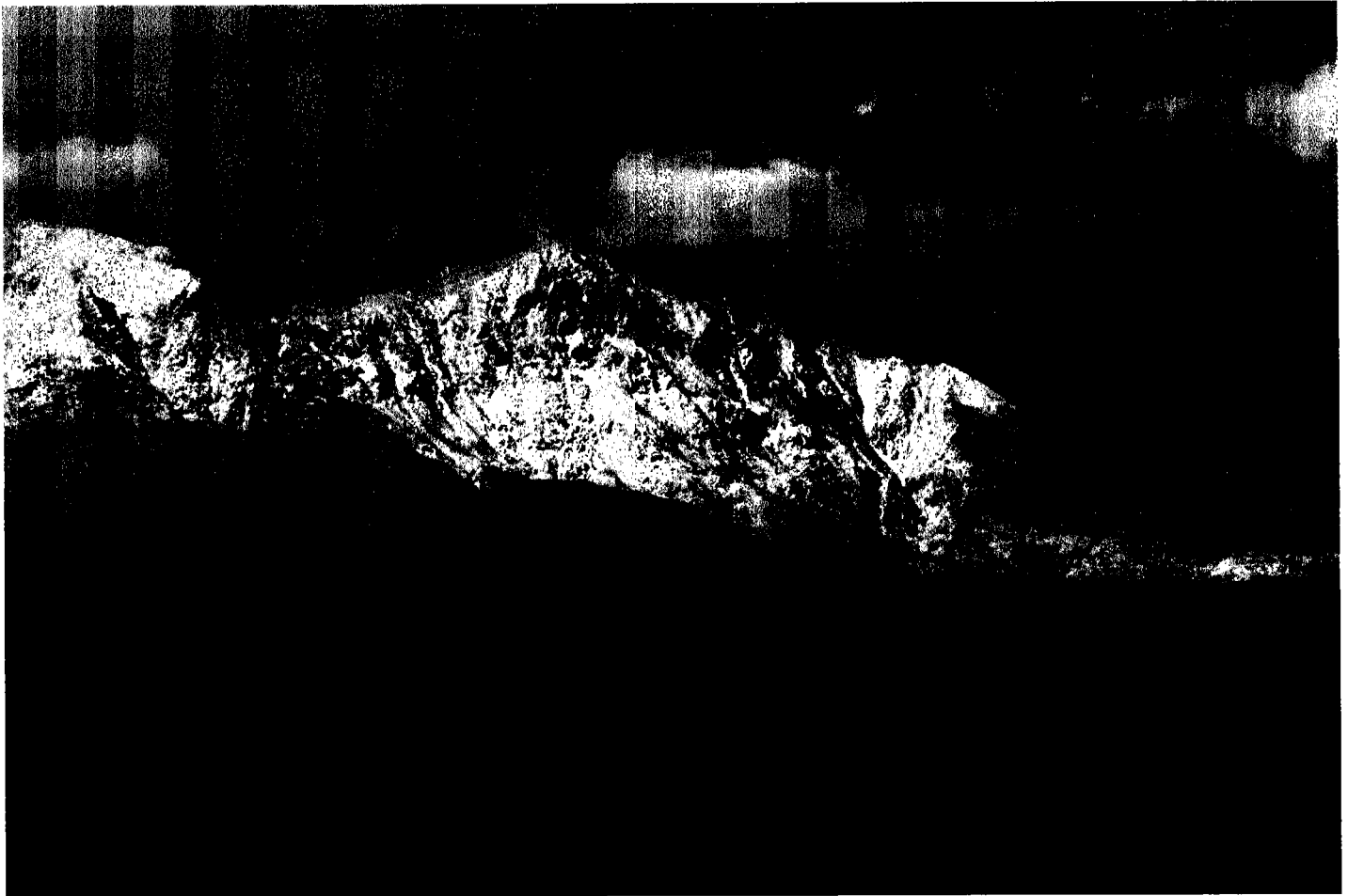


CITY OF ST. GEORGE, UTAH



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2001

Prepared by: Finance Department

Philip R. Peterson, CPA
Finance Director

CITY OF ST. GEORGE, UT
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2001

TABLE OF CONTENTS

INTRODUCTORY SECTION	Page
Letter of Transmittal	5
City Officials	11
Organizational Chart	12
 FINANCIAL SECTION	
Independent Auditor's Report	13
Management's Discussion and Analysis	15
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets	29
Statement of Activities	30
Fund Financial Statements:	
Balance Sheet - Governmental Funds	31
Statement of Revenues, Expenditures, and Changes in	
Fund Balances - Governmental Funds	32
Reconciliation of the Statement of Revenues, Expenditures, and	
Changes in Fund Balances of Governmental Funds to the	
Statement of Activities	33
Statement of Revenues, Expenditures, and Changes in Fund	
Balances - Budget and Actual - General Fund	34
Statement of Net Assets - Proprietary Funds	36
Statement of Revenues, Expenses, and Changes in	
Fund Net Assets - Proprietary Funds	37
Statement of Cash Flows - Proprietary Funds	38
Statement of Fiduciary Net Assets - Fiduciary Funds	39
Statement of Changes in Fiduciary Net Assets - Fiduciary Funds	40
Notes to Financial Statements	41
Supplemental Information:	
Combining Balance Sheet - Nonmajor Governmental Funds	71
Combining Statement of Revenues, Expenditures, and Changes	
in Fund Balances - Nonmajor Governmental Funds	73
Schedules of Revenues, Expenditures, and Changes in Fund Balances	
Budget and Actual:	
Innkeeper Business License Fee - Special Revenue Fund -	75
Airport PFC Fees - Special Revenue Fund -	76
Economic Development - Special Revenue Fund -	77

Transportation Improvement - Special Revenue Fund -	78
Recreation G.O. Bonds - Debt Service Fund	79
Special Assessments - Debt Service Fund -	80
Capital Equipment - Capital Projects Fund -	81
Downtown Redevelopment - Capital Projects Fund -	82
Park Impact - Capital Projects Fund -	83
Streets Impact - Capital Projects Fund -	84
Special Assessments - Capital Projects Fund -	85
Drainage Impact - Capital Projects Fund -	86
Fire Impact - Capital Projects Fund -	87
Police Impact - Capital Projects Fund -	88
Street Bonds - Capital Projects Fund -	89
Recreation Bonds - Capital Projects Fund -	90
Public Works - Capital Projects Fund -	91
Statement of Net Assets - Internal Service Funds	92
Statement of Revenues, Expenses, and Changes in Fund Net Assets	
Internal Service Funds	93
Statement of Cash Flows - Internal Service Funds	94
Combining Balance Sheet - Nonmajor Proprietary Funds	95
Combining Statement of Revenues, Expenses, and Changes in Fund	
Balances - Nonmajor Proprietary Funds	96
Combining Statement of Cash Flows - Nonmajor Proprietary Funds	97
Capital Assets Used in the Operation of Governmental Funds:	
Schedule by Source	98
Schedule by Function and Activity	99
Schedule of Changes by Function and Activity	100

STATISTICAL SECTION:

Electric Fund - Statistical Analysis	101
Water Fund - Statistical Analysis	102
General Governmental Expenditures and Other Uses by Function	
General Fund	103
Revenues and Other Financing Sources by Source - General Fund	103
Tax Revenue by Source - General Fund	104
Property Tax Levies and Collections	104
Taxable and Market Value of Taxable Property	105
Special Assessment Collections	105
Property Tax Rate - All Direct and Overlapping Governments	106
Ratio of General Bonded Debt to Taxable Value and Bonded Debt	
Per Capita	106
Computation of Legal Debt Margin	107
Computation of Direct and Overlapping Debt	107

Ratio of Annual Debt Service Expenditures for General Bonded Debt to Total General Expenditures	108
Revenue Bond Coverage - Water & Wastewater Utilities	108
Demographic Statistics	109
Principal Taxable Properties	110
Miscellaneous Statistics	111

SINGLE AUDIT SECTION:

Independent Auditor's Report on Compliance With Laws and Regulations and on Internal Control over Financial Reporting Based on an Audit of Basic Financial Statements Performed in Accordance with <i>Governmental Auditing Standards</i>	113
Schedule of Expenditures of Federal Awards	115
Notes to the Schedule of Expenditures of Federal Awards	116
Schedule of Findings & Questioned Costs	117
Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133	119
Independent Auditor's Report on State Legal Compliance	121
Schedule of Findings and Recommendations	123
Response to Findings and Recommendations	125
Summary Schedule of Prior Audit Findings	127

CONTINUING DISCLOSURE SECTION:

Excise Tax Revenue Bonds - Series 1996	129
General Obligation Parks & Rec Bonds - Series 1996	131
Sewer Revenue Bonds - Series 1997A	134
Water Utility Revenue Bonds	142
Washington County/St. George Interlocal Agency - Series 1997A	145
Municipal Building Authority Lease Revenue Refunding - 1998A	146



October 29, 2001

To the Honorable Mayor, Members of the City Council,
City Manager, and Citizens of the City of St. George

It is with great pleasure that the Comprehensive Annual Financial Report (CAFR) for the City of St. George for the year ended June 30, 2001, is presented. This year's report has been reformatted to comply with the new financial reporting model developed by the Governmental Accounting Standards Board (GASB) Statement 34. It is intended that this new format will provide further information not previously available in governmental financial statements.

In addition to the fund financial information currently presented in the City's financial statements, this report now includes government-wide financial statements. The government-wide financial statements include a Statement of Net Assets that provides the total net assets of the City including all capital assets (including infrastructure) and the Statement of Activities that shows the cost of providing government services. The City has taken a leadership role in implementing GASB 34. Although not required until the fiscal year ending 2003, it is hoped that by implementing earlier, the financial reports will be more widely used and provide relevant information for all users.

State law requires that all local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. This Comprehensive Annual Financial Report is hereby issued and submitted to you for the fiscal year ended June 30, 2001, in accordance with these requirements.

This report consists of management's representations concerning the finances of the City of St. George. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management has established an internal control framework that is designed to both protect the assets of the City from loss, theft, or misuse and to allow for the compiling of sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's internal control procedures have been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. To the best of management's knowledge and belief, this financial report is complete and reliable in all

material respects.

The City of St. George's financial statements have been audited by Kemp, Burdick, Hinton, & Hall, LC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of St. George for the fiscal year ended June 30, 2001, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City of St. George's financial statements for the fiscal year ended June 30, 2001, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

Generally accepted accounting principles require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it.

The comprehensive annual financial report is presented in five sections:

1. ***The Introductory Section***, which is unaudited, includes this letter of transmittal and the City's organization chart.
2. ***The Financial Section***, which includes the MD&A, the basic financial statements, and the independent auditor's report on the financial statements.
3. ***The Statistical Section***, which is unaudited, includes selected financial and demographic information, generally presented on a multi-year basis.
4. ***The Single Audit Section***, which includes all reports and schedules necessary in order for the City to comply with the Single Audit Act and U.S. Office of Management and Budget Circular A-128, Audits of State and Local Governments.
5. ***The Continuing Disclosure Section***, which includes various schedules necessary to meet the continuing disclosure requirements of various bond issues which the City has undertaken.

The financial reporting entity (the City) includes all funds of the primary government (i.e., the City of St. George as legally defined), as well as all of its component units. Component units are legally separate entities for which the primary government is financially accountable. The Downtown Redevelopment Agency component unit is reported in the statements as a capital projects fund while the Municipal Building Authority is reported as an enterprise fund.

State statutes detail the functions to be performed by State municipalities. Title 10 of the Utah Code generally sets out laws to provide for the incorporation, organization, and classification of cities and town in proportion to population. Cities of the third class, such as the City, are those with fewer than 60,000 and more than 800 inhabitants. State law allows cities of the third class to choose government either by mayor and city council or by mayor, city council, and city manager. The City of St. George is organized under general law and governed by a mayor and five city council members elected at large for staggered four-year terms. The Mayor presides over all meetings but casts no vote in the City Council except in the case of a tie. The City Manager is responsible for the day-to-day operations of the City as it's chief operating officer. Department heads are full-time employees of the City and are responsible for day-to-day operations within the policy framework of the governing body. They report to the Mayor, City Manager, and the City Council.

The principal powers and duties of municipalities are to maintain law and order, abate nuisances, guard public health and sanitation, promote recreation, provide fire protection, and construct and maintain streets, sidewalks, waterworks and sewers. Municipalities also regulate commercial and residential development within their boundaries by means of zoning ordinances, building codes and licensing procedures.

ECONOMIC CONDITION AND OUTLOOK

The City of St. George, incorporated in 1862, is the county seat of Washington County, which county is located in the extreme southwest corner of the state of Utah. It is nestled in a picturesque valley surrounded by impressive sandstone cliffs. The backdrop is breathtaking with blue skies, clean air, and a friendly business environment which attracts over 2 million international visitors annually. The desert climate promotes year round recreation and leisure activities, which includes eight championship golf courses. Washington County is one of the fastest growing areas in Utah and is expected to remain so well into the 21st century. The 2000 census shows a population of 49,663 which was an increase of 74.24% from the 1990 census.

St. George, the county's largest city, lies along Interstate 15 with a host of smaller communities that make up Utah's Dixie. The advantages of the county's position along one of the nation's key east-west routes between California and established destination points such as Salt Lake City, Denver, and Albuquerque is making Washington County one of the nation's fastest growing communities. The scenic area not only provides easy access to major markets of the western United States, it has become a destination point for countless people and businesses looking for a better way of life and more fruitful atmosphere for growth and prosperity. By the end of the decade, the St. George-Zion National Park areas of Washington County were rated among the best communities in the country to retire by Rand-McNally, Prentice Hall, Money, and the American Association of Retired People. (Washington County, a spectacular environment for business growth)

Because of this continuing growth, the City continues to face many challenges. During

the fiscal year ended June 30, 2001, the retail face of the City's economy changed dramatically with the addition of several large box store type retailers. In addition, the City also saw the increase of competition for those retail dollars as our neighboring communities added more retail markets of their own. In the past, the City has served as the regional shopping area for a matter part of the southwestern Utah. Sales taxes are the major source of income for the City and there was a slowdown during the year in the rate of growth of this income. Sales taxes increased 4.99% during the year compared to a rate of growth of 9.0% in fy2000 and 7.9% in fy1999.

To counter-attack this trend, the City continues to work to diversity our economic base and business climate. Intermountain Health Care has announced plans for expansion of services and the construction of a new facility within the City. The hospital will greatly expand the availability of major medical services (i.e., open-heart surgery, neurosurgery, etc.) within the region and will continue to expand the City's base as a health care neighborhood. In addition the City continues to move forward with the financial planning, land acquisition, and other issues necessary for the construction of a new larger airport within the City. When constructed and operational, the airport will allow for the addition of new businesses within the City as well as better serving our current and future residents.

During the year, the City had many accomplishments. Among them were:

The Canyons Softball Complex is a 38 acre softball park featuring seven lighted softball fields complete with a state of the art scoring system, two concession stands, and various other accessory buildings. The softball complex also includes a covered pavilion and picnic areas, playgrounds, stocked fishing ponds, and extensive landscaping. The National Softball Association recently named the complex as the recipient of the National Softball Park of the Year Award.

Costco Wholesalers Corp opened a 120,000 square-foot facility in the City in November, 2000.

Lowe's Home Improvement Warehouse opened a new store just after the close of this fiscal year in July, 2001.

Target Stores Incorporated opened a new store just after the close of the fiscal year.

Construction is under-way on a new roundabout interchange on Interstate 15 in connection with the construction of a new WalMart superstore which is slated to be completed and open for business shortly after the first of the calendar year in January, 2002.

CASH MANAGEMENT

The Utah Money Management Act (MM Act) governs the investment of all public funds held by public treasurers in the state. It establishes criteria for the investment of public funds with an emphasis on safety, liquidity, yield, matching strategy to fund objectives, and matching the term of investments to the availability of funds. The MM Act provides a limited list of approved investments, including qualified in-state and permitted out-of-state financial institutions, approved government agency securities, and investments in corporate securities carrying "top credit ratings."

The law requires all securities to be delivered versus payment to the Treasurer's safekeeping bank. It also requires diversification of investments. The City is currently complying with all of the provisions of the MM Act for all City operating funds. A significant portion of the City's funds are invested in the Utah Public Treasurer's Investment Fund (PTIF).

All deposits are held either by the City, its agent or a financial institution's trust department in the City's name. All of the City's investments held during the year, and at year-end, are classified in the category of lowest credit risk as defined by the Government Accounting Standards Board.

RISK MANAGEMENT

The City has organized a Safety/Risk Management Committee consisting of safety representatives from each of the City's departments. The responsibilities of the committee include:

- (1) Establish City-wide safety rules, policies, and training programs.
- (2) Review, investigate, and act upon safety matters referred by the City Manager, Department Heads, and employees generally.
- (3) Perform safety inspections and make periodic reviews for adherence to safety requirements.
- (4) Educate and train employees to understand and follow safety rules and procedures.

As part of an over-all risk management effort, the City has also established a Claims Committee to review controversial or large dollar claims. This committee consists of the Director of Administrative Services, Risk Manager, City Manager, City Attorney, Human Resource Manager, and the department head whose area of speciality is most closely related to the claim.

The City has also established an "Incident Report Form" to facilitate the timely reporting

of employee, third party, or property related incidents that could result in financial expenditures.

PENSION BENEFITS PROVIDED

During the fiscal year ended June 30, 2001, the City participated in two separate retirement systems. One system is maintained by the Utah State Retirement Board which covers City, County, and State employees in the State of Utah. Those contributions above the State required rates are invested in a separate defined contribution plan administered by the International City Managers Association retirement trust.

ACKNOWLEDGEMENTS

The preparation of this financial report would not have been possible without the efficient and dedicated services of the entire staff of the Finance Department and our independent auditors, Kemp, Burdick, Hinton, and Hall. My thanks also to the City Manager, Administrative Services Director, Mayor and members of the City Council for their support and dedication to maintaining the highest standards of professionalism in the management of the City's finances.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Philip R. Peterson", with a long horizontal flourish extending to the right.

Philip R. Peterson, CPA
Finance Director

OFFICIALS
CITY OF ST. GEORGE, UTAH



Mayor Daniel D. McArthur



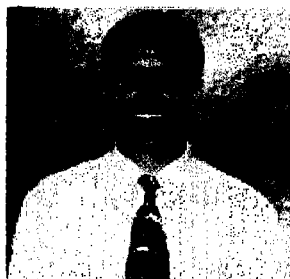
Council Member Sharon L. Isom



Council Member
Suzanne Allen



Council Member Larry Gardner



Council Member Robert Whatcott



Council Member Rod Orton

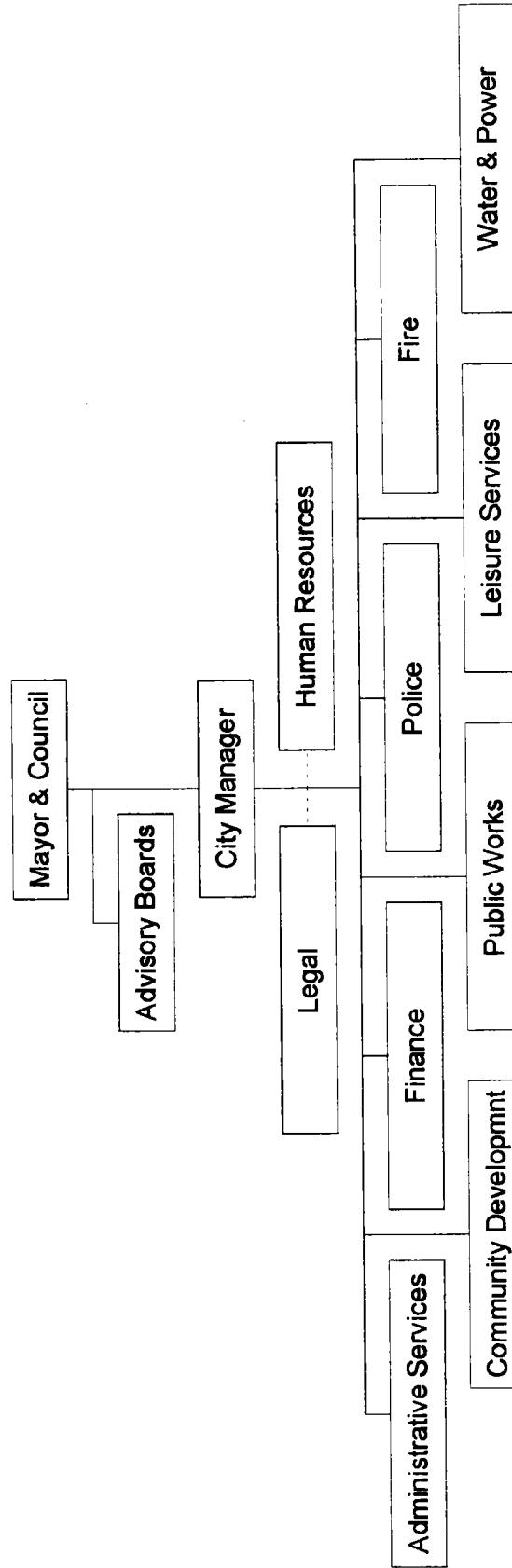


City Manager
Gary S. Esplin

Jonathan Wright
Gay Cragun
Deanna C. Evans
Wayne M. McArthur
Marlon Stratton
Robert Stoker
Larry H. Bulloch
Joseph C. Vincent
Kent Perkins
Robert Nicholson
Philip R. Peterson
Ronald Read
J. Ross Hurst
Shirl H. Pitchforth
Dr. Craig Booth
Marge Shakespeare
Craig Hammer

City Attorney
City Recorder
City Treasurer
Water & Power Director
Chief of Police
Fire Chief
Public Works Director
Director of Administrative Services
Leisure Services Director
Community Development Director
Finance Director
Assistant City Attorney
Water & Power Board Chairman
Water & Power Board
Water & Power Board
Water & Power Board
Water & Power Board

City of St. George, Ut Organization Chart





**INDEPENDENT AUDITORS' OPINION
ON BASIC FINANCIAL STATEMENTS AND
SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS**

MEMBERS:

KRIS J. BRAUNBERGER
DEAN R. BURDICK
BRENT R. HALL
KENNETH A. HINTON
GREGORY A. KEMP
MORRIS J. PEACOCK
MICHAEL K. SPILKER
MARK E. TICHENOR

The Honorable Mayor and
City Council
St. George, Utah

We have audited the accompanying basic financial statements of the City of St. George, Utah, as of and for the year ended June 30, 2001, as listed in the Table of Contents. These basic financial statements are the responsibility of the City of St. George's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The City adopted Governmental Accounting Standards Board Statements Nos. 33 and 34 and GASB Interpretation 6 as of and for the year ended June 30, 2001.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the City of St. George, Utah, as of June 30, 2001, and the results of its operations and the cash flows of its business type activities for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 6, 2001 on our consideration of the City of St. George's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in

Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

The Management's Discussion and Analysis on pages 15-28, is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. The combining and individual fund schedules listed in the Table of Contents are also presented for purposes of additional analysis and are not a required part of the basic financial statements of the City of St. George, Utah. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects, in relation to the basic financial statements taken as a whole.

We did not audit the data included in the introductory, continuing disclosure and statistical sections of this report and therefore express no opinion thereon.

Kemp, Burdick, Hinton & Hall, L.C.

KEMP, BURDICK, HINTON & HALL, L.C.
September 6, 2001

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of St. George, we offer readers of the City of St. George's financial statements this narrative overview and analysis of the financial activities of the City of St. George for the fiscal year ended June 30, 2001. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

FINANCIAL HIGHLIGHTS

- The total net assets of the City of St. George increased 1.44% to \$176,016,745.
- The total net assets of \$176,016,745 is made up of \$117,097,489 in capital assets net of related debt and \$58,919,256 in other net assets.
- In the General Fund, revenues exceeded expenditures by \$2,381,841. This amount was then transferred to the Capital Equipment Capital Projects Fund to be used to fund additional capital projects. The total fund balance of the General Fund represents 13% of total budgeted expenditures for the next fiscal year ending fy2002.
- Total long-term liabilities of the City was reduced \$4,193,000.
- Business-type activities total net assets decreased \$1,053,294. The main reason for this was a large operating loss experienced in the Electric Utility enterprise fund of \$8,719,720. This is because of the large increases in costs to purchase power experienced in the entire nation.

REPORTING THE CITY AS A WHOLE

This discussion and analysis is intended to serve as an introduction to the City of St. George's basic financial statements. The City of St. George's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also includes other supplementary information in addition to the basic financial statements.

The government-wide financial statements are designed to provide readers with a broad overview of the City of St. George's finances, in a manner similar to a private-sector business.

- *The statement of net assets* presents information on all of the City of St. George's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City of St. George is improving or deteriorating. However, you will also need to consider other nonfinancial factors.

- *The statement of activities* presents information showing how the City's net assets changed during the fiscal year reported. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus all of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

Both of the government-wide financial statements distinguish functions of the City of St. George that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities).

The government-wide financial statements can be found on pages 29 & 30 of this report.

REPORTING THE CITY'S MOST SIGNIFICANT FUNDS

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of St. George also uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

- **Governmental funds** - These funds are used to account for the same functions reported as governmental activities in the government-wide financial statements. These fund statements focus on how money flows into and out of these funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps users determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds in a reconciliation included with the fund financial statements.

The only major governmental fund (as determined by generally accepted accounting principles) is the General Fund. The balance of the governmental funds are determined to be nonmajor and are included in the combining statements within this report.

- **Proprietary funds** - The City of St. George maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of St. George uses enterprise funds to account for its Electric Utility, Water Utility, Wastewater Collection Utility, Wastewater Treatment Utility, Municipal Building Authority, Refuse Collection,

and Golf Courses. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City of St. George's various functions. The City uses an internal service fund for providing self-insurance above that amount carried with commercial insurance companies. Because this service primarily benefits governmental activities, they have been included with governmental activities in the government-wide financial statements.

As determined by generally accepted accounting principles, all enterprise funds except for Refuse Collection and Golf Courses meet the criteria of major fund classification. The Refuse Collection and Golf Courses funds are classified as nonmajor and are included in the combining statements within this report.

- Fiduciary funds - These funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting method used for these funds is much like that used for proprietary funds.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City of St. George, assets exceed liabilities by \$176,016,745.

By far the largest portion of the City of St. George's net assets (66.53%) reflects its investment in capital assets (e.g., land, buildings, infrastructure assets, and machinery and equipment), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

STATEMENT OF NET ASSETS (in thousands)

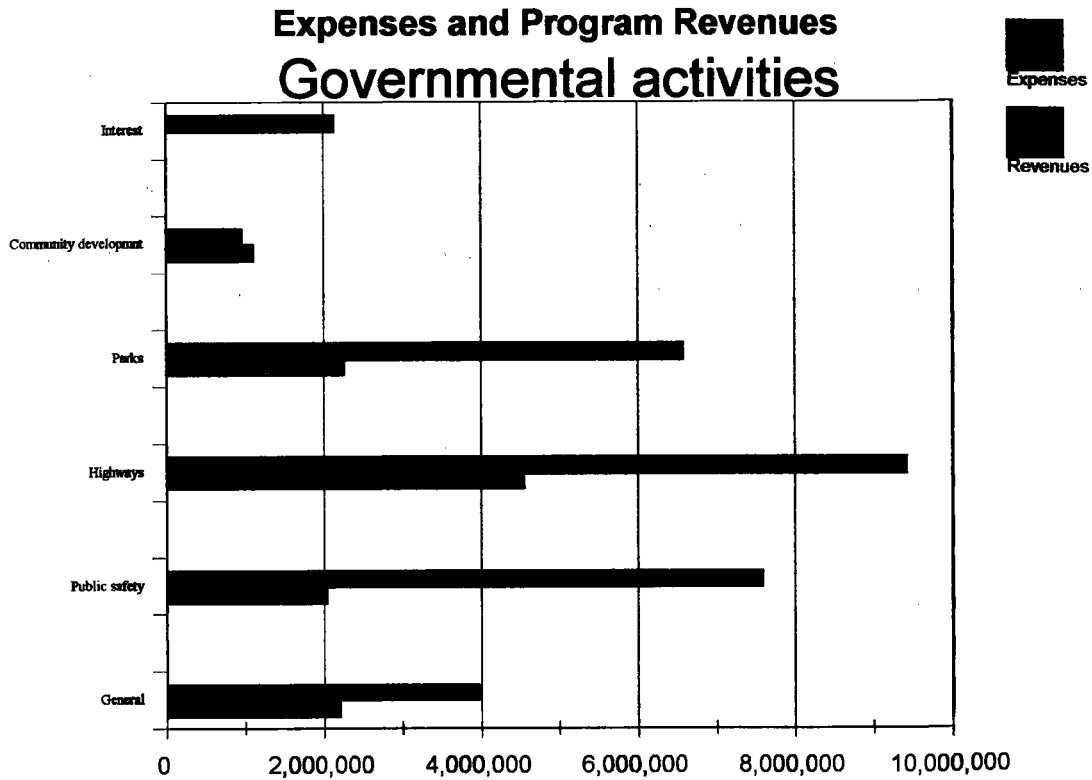
	Governmental Activities	Business-type Activities
Current and other assets	\$ 34,547	\$ 33,713
Capital assets	<u>79,510</u>	<u>139,602</u>
Total assets	114,057	173,315
Long-term debt outstanding	30,585	71,429
Other liabilities	<u>3,089</u>	<u>6,252</u>
Total liabilities	33,674	77,681

Net assets:		
Invested in capital assets, net of debt	48,925	68,172
Restricted	29,592	
Unrestricted	<u>1,866</u>	<u>27,462</u>
Total net assets	<u>\$80,383</u>	<u>\$ 95,634</u>

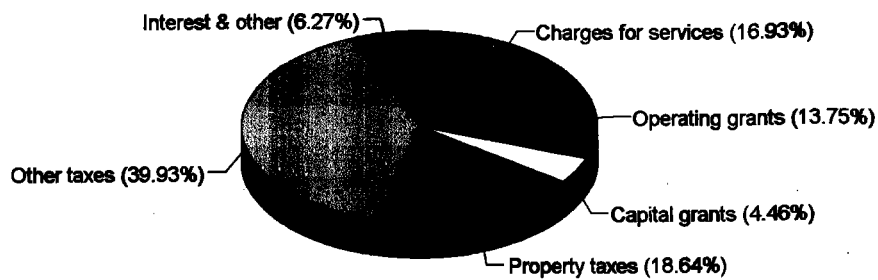
CHANGES IN NET ASSETS (in thousands)

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Revenues:		
Program revenues:		
Charges for services	\$ 5,824	\$ 55,250
Operating grants & contributions	4,730	15
Capital grants & contributions	1,533	674
General revenues:		
Property taxes	6,412	
Other taxes	13,754	
Investment income	2,191	2,031
Other revenues	<u>(33)</u>	<u>533</u>
Total revenues	<u>34,401</u>	<u>58,503</u>
Expenses:		
General government	3,954	
Public safety	7,573	
Highways/public improvements	9,411	
Parks & recreation	6,552	
Community & econ development	950	
Interest on long-term debt	<u>2,120</u>	
Electric		36,944
Water		6,454
Wastewater collection		5,690
Wastewater treatment		4,239
Golf courses		3,965
Municipal building authority		531
Refuse collection		<u>2,039</u>
Total expenses	<u>30,561</u>	<u>59,861</u>
Increase in net assets before transfers	3,850	(1,358)
Transfers	<u>(305)</u>	<u>305</u>
Increase in net assets	3,545	(1,053)
Net assets 7/1/00	<u>76,838</u>	<u>96,687</u>
Net assets 6/30/01	<u>\$ 80,383</u>	<u>\$ 95,634</u>

The following graphs display the government-wide activities for governmental activities reflected in the above tables.



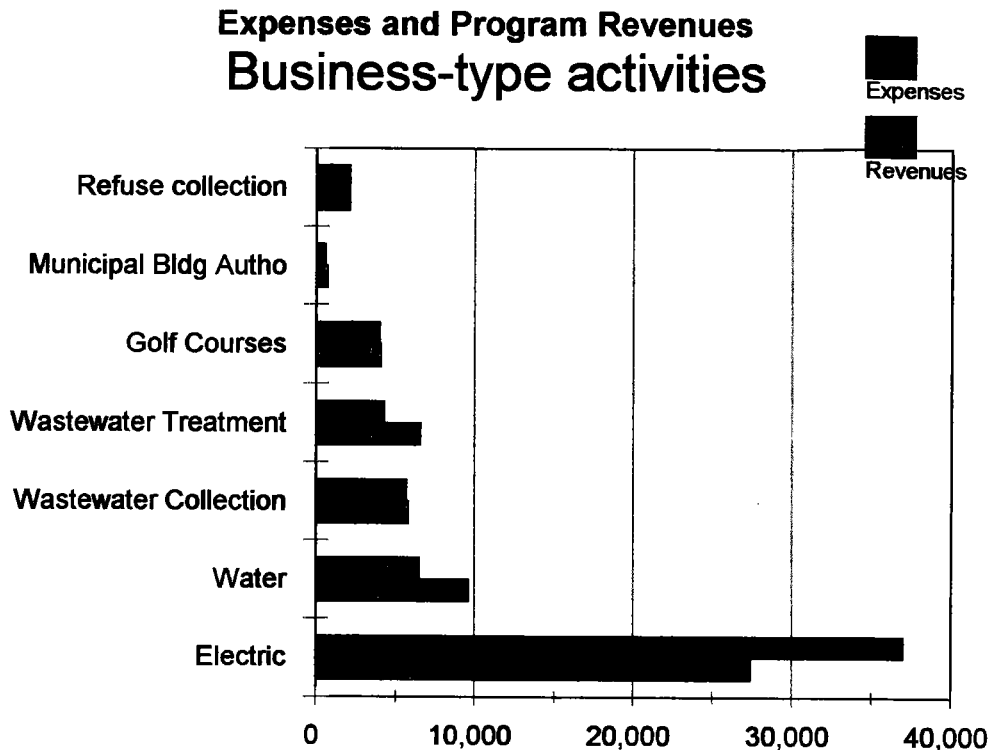
Revenues by Source Governmental activities



Other taxes (primarily sales & franchise taxes) increased by 6.7% over last year. The operating grants are made up primarily of public safety grants for the police department and the capital grants are mainly for the airport which is included in the highways and public improvements category.

All expense categories remained fairly consistent over the prior year and there are no noteworthy items to report.

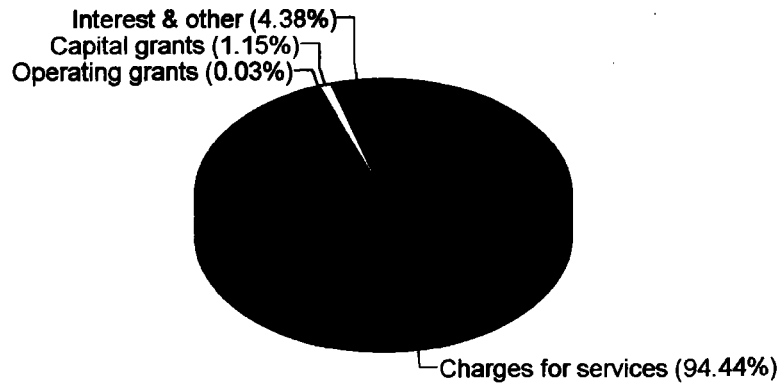
Because of the large operating loss in the Electric Utility, the business-type activities actually saw a decrease in net assets during the fiscal year ended June 30, 2001. Total net assets in business-type activities declined by just over \$1million while the operating loss in the Electric Utility was over \$8.7 million. The following graphs again reflect the government-wide activities for business-type activities as displayed in the above tables.



As can be seen from the following chart, the majority of revenues in the business-type activities is in charges for services with over 94% of the revenues and with interest earnings of over 4%. The City has never had a policy of obtaining grants (either capital or operating) for the operations of business-type activities.

Revenues by Source

Business-type activities



FINANCIAL ANALYSIS OF GOVERNMENT'S FUNDS

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements.

As of the June 30, 2001, the City's governmental funds (General, Capital Projects, Debt Service, & Special Revenue) reported combined fund balances of \$32,529,433. This represents an increase of \$2,846,827 (7.62%) over last year's ending balances.

The General Fund is the chief operating fund of the City. All activities which are not required to be accounted for in separate funds either by state or local ordinance or by a desire to maintain a matching of revenues and expenses, are accounted for in this fund. While revenues exceeded expenditures in the General Fund by over \$2.3 million during the year, the surplus was transferred in total to the Capital Equipment Capital Projects Fund for use in future capital projects. Thus the General Fund total fund balance remained constant with last year. An analysis of this total fund balance shows that it represents just over 13% of projected revenues for the new fiscal year which ends June 30, 2002. State laws allows for a maximum fund balance of 18% so the City is well within those limits.

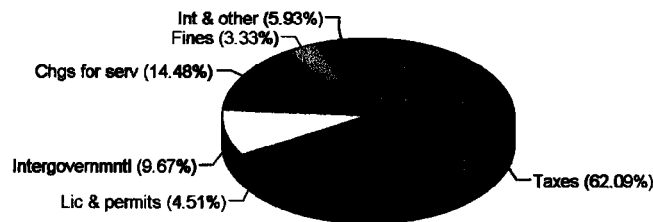
Taxes continue to be the largest source of revenue in the General Fund and represent 62.1% of total general fund revenues. The largest element of taxes is sales taxes as it has been for the last several years. It represents 53% of total tax revenues and represents 32.9% of total general fund

revenues. This compares with 33.19% in the prior fiscal year ended June 30, 2000.

The following charts display General Fund revenues as a percent of total revenues for the past two years.

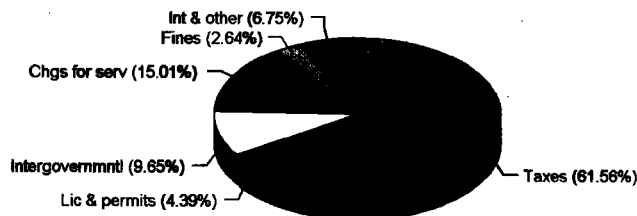
General Fund Revenues

Fiscal Year Ended 6/30/01



General Fund Revenues

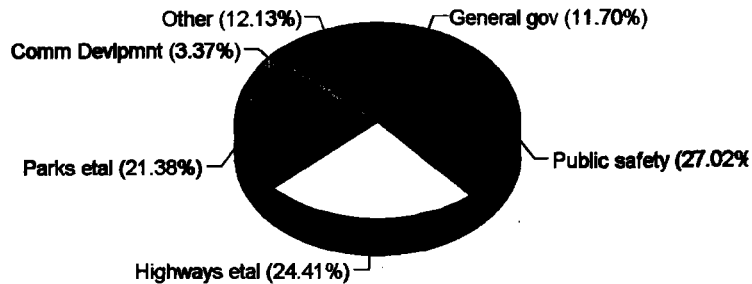
Fiscal Year Ended June 30, 2000



The following graphs display the expenditures in the General Fund by function for the past two fiscal years. As can be seen by reviewing these graphs, most expenditures are close to maintaining the same percentage of expenditures over the two years.

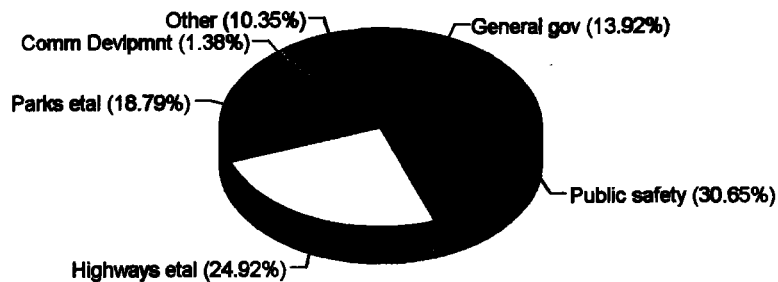
General Fund Expenditures

Fiscal Year Ended 6/30/01



General Fund Expenditures

Fiscal Year Ended June 30, 2000



A new governmental fund was created during the year by transferring funds from the Capital Equipment Capital Projects fund to the new Public Works Capital Projects Fund. This was done to accomplish the goal of providing a separate fund to better track multi-year public works projects which have multiple funding sources.

As stated earlier, the City maintains several enterprise funds to account for the business-type activities of the City. The separate fund statements included in this report provides the same

information for business-type activities as is provided in the government-wide financial statements. However, the difference is that the fund statements provide much more detail.

Two funds experienced unusual years during the current fiscal year ended June 30, 2001. The first of these is the largest of the enterprise funds which is the Electric Utility fund. This fund purchases power and also generates some power internally for sale to our citizens/customers. The utility experienced the same type of cost increases for power which several utilities experienced during the year. Power costs for resale increased by 34.3% while operating revenues increased by only 14.2%. In addition, the City purchases of diesel fuel for operation of our own generation units increased more than \$2.5 million. Our own generation increased from 2 megawatt hours during the fye 2000 to 40.7 megawatt hours during the current year. Total costs increased over \$10 million and 37.6%. This resulted in an increased loss of 356.32% over the loss from last year. The net loss for the fiscal year ended June 30, 2001 totaled \$8.7 million compared to a net loss of \$1.9 million for the fiscal year ended June 30, 2000.

On May 1, 2001, a temporary power cost adjustment of a 50% increase in kilowatt charges to our customers went into effect for the five month period of May 1 thru September 30th. This increase is slated to expire on September 30th and will be in effect each year during this five month period.

The Water & Power board has completed rate studies for user rates and impact fees in both the Electric Utility and Water Utility funds. The studies are presently under review by the Mayor and City Council.

The other enterprise fund which warrants additional discussion is the golf course fund. Revenues decreased 8% from last year even though a rate increase of 6.25% had been implemented effective August 1, 2000. This necessitated an economic development transfer of \$249,900 from the General Fund. Net income after transfers decreased 54% from last year to \$390,510 compared with \$849,822 for the fiscal year ended June 30, 2000.

GENERAL FUND BUDGETARY HIGHLIGHTS

During the fiscal year, the General Fund original budget was amended from an original budget expenditure total of \$25,188,100 to a final budget of \$29,183,780 (15.86%). These increases were made to take advantage of revenues being better than originally anticipated. The largest increase was to allow for the transfer of surplus revenues from the General Fund to the Capital Equipment Capital Projects fund.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets - The City of St. George's investment in capital assets for its governmental and business-type activities as of June 30, 2001, amounts to \$219,111,644 (net of accumulated depreciation). This investment in capital assets includes land, buildings and systems, improvements, infrastructure (streets, sidewalks, etc.), and machinery and equipment. The total

increase in the City's investment in fixed assets for the current year was 3.7% (a 7 % increase for governmental activities and a 1 % increase for business-type activities).

Major capital asset events during the current fiscal year included the following:

- \$400,752 for the purchase of property near Pine View High School for street improvements budgeted during the 2002 fiscal year to 3050 East Street.
- \$600,240 for the purchase of property from Washington County School District in the center part of the City adjacent to the historic Woodward school.
- \$534,924 for Phase I improvements to River Road.
- \$800,762 for construction of streets, curb & gutter and other improvements in connection with Blackridge Drive.
- \$191,683 for various improvements at the airport.
- \$217,341 for improvements to the historic Arts Center.
- \$261,012 for completion of the Riverside Drive Trail project.
- \$839,855 for completion of the tennis complex adjacent to the Tonaquint Park.
- \$197,582 for improvements to and a new well for the Water Utility in the Snow Canyon area.
- \$796,875 for improvements and extension of distribution lines in the Water Utility.
- \$292,543 for additional storage tanks in the Water Utility.
- \$191,119 for improvements to the Quail Creek Water Treatment plant in the Water Utility.
- \$561,144 for pressurized irrigation line improvements in the Entrada area of the City.
- \$961,388 for construction of the new clubhouse at the Sunbrook Golf Club in the Golf Course fund.
- \$125,018 for cart path improvements at Southgate Golf Club, \$119,292 for cart path improvements at St. George Golf Club, and \$168,806 for cart path improvements at Sunbrook Golf Club, all in the Golf Course fund.

- \$190,118 for continuing construction of the Ivins Outfall line in the Wastewater Treatment fund.
- \$1,575,594 for improvements and additions to the distribution system in the Electric Utility fund.

CITY OF ST. GEORGE'S CAPITAL ASSETS
(net of depreciation)

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Land	\$ 11,463,739	
Buildings	12,505,900	
Improvements	28,339,226	
Infrastructure	19,934,749	
Machinery & equipment	5,216,662	
Plant, property & equipment	<u> </u>	<u>\$139,601,521</u>
Total	<u>\$ 77,460,276</u>	<u>\$139,601,521</u>

Additional information on the City's capital assets can be found in the footnotes to this financial report and also the supplemental section.

Long-term debt - At June 30, 2001, the City had total bonded debt outstanding of \$101,425,521. Of this amount \$27,120,000 is considered to be general obligation debt and backed by the full faith and credit of the City; \$3,361,000 is special assessment debt for which the City is liable in the event of default by the property owners subject to the assessment; and the remainder of \$70,945,000 is debt which is secured solely by specific revenue sources (i.e., revenue bonds).

CITY OF ST. GEORGE'S OUTSTANDING DEBT

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
General obligation bonds	\$ 17,580,000	
Downtown RDA bonds	794,000	
Excise Revenue bonds	2,595,000	
Pace & Randall note	50,000	
WCIA Capital lease bonds	6,101,000	
Special assessment debt with governmental commitment	<u>3,361,000</u>	
Revenue bonds		<u>\$70,945,000</u>
Total outstanding debt	<u>\$30,481,000</u>	<u>\$70,945,000</u>

The City's total debt decreased by \$2,318,000 during the fiscal year.

During the current fiscal year, the City refinanced some of its existing debt to take advantage of favorable interest rates.

- The City issued \$8,760,000 in water revenue bonds to refund a portion of the 1995 water revenue bonds in order to take advantage of lower interest rates and thus reduce total debt service payments over the course of the bond terms.

The City's bonds continue to have the same ratings which they have carried for the past several years. These ratings are as follows:

	Moody's Investors <u>Service</u>	Standards & Poors <u>& Poors</u>	<u>Fitch</u>
1997 Recreation GO bonds	Aaa	AAA	AAA
1993 Water Revenue	Aaa	AAA	
Wastewater Revenue	Aaa	AAA	

State statutes limit the amount of general obligation debt a governmental entity may issue to 4% of its total taxable value. The current limitation for the City is \$98,185,781, which is significantly in excess of the City's outstanding general obligation debt. In addition, state statute allows for an additional 4% to be used for water, sewer, or electrical projects thus resulting in a debt limit of 8% of total taxable value. The current limitation for these water, sewer and electrical projects is thus \$196,371,141, which again significantly exceeds the outstanding business-type activity debt.

Additional information on the outstanding debt obligations of the City can be found in the footnotes to this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

- The unemployment rate for Washington County (of which St. George is the largest City) was 3.6 % compared with a state unemployment rate of 4.0% and a national rate of 4.4%. This compares with a rate of 3.3% in 2000. (Source: Utah Dept of Workforce Services)
- The General Fund budget for the fiscal year-ending June 30, 2002 reflects an increase of 2.44% over the final budget for the fiscal year-ended June 30, 2001.
- Rate studies have been undertaken for both user rates and impact fees in the Electric Utility fund and the Water Utility fund. These rate increases are necessary to deal with both current operations not performing at satisfactory levels to management and also to fund the long-term capital needs based upon growth projections.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City of St. George's finances for all those with an interest in the City's finances. Questions concerning any information provided in this report or requests for additional financial information should be addressed to: City of St. George, Finance Director, 175 E 200 N, St. George, UT 84770.

CITY OF ST. GEORGE, UTAH
STATEMENT OF NET ASSETS
JUNE 30, 2001

	Governmental Activities	Business-type Activities	Total
ASSETS:			
Cash	\$ 27,353,067	\$ 16,649,257	\$ 44,002,325
Restricted cash		7,919,274	7,919,274
Accounts receivable (net of allowance for doubtful accounts)	6,720,353	5,741,302	12,461,655
Inventory	48,218	1,737,524	1,785,742
Notes receivable	664,353	62,265	726,618
Interfund receivables	123,679		123,679
Bond discounts		1,534,247	1,534,247
Prepaid expenses		69,481	69,481
Capital assets (net of depreciation)			
Land	11,463,739		11,463,739
Buildings	12,505,900		12,505,900
Improvements	28,339,227		28,339,227
Infrastructure	19,934,749		19,934,749
Machinery & equipment	5,216,662		5,216,662
Plant, property, and equipment		139,601,521	139,601,521
Total assets	\$ 112,369,947	\$ 173,314,871	\$ 285,684,818
LIABILITIES:			
Accrued liabilities	\$ 80,825	\$ 5,283,293	\$ 5,364,117
Construction bonds held	99,781		99,781
Deposits payable		844,444	844,444
Interfund payables		123,679	123,679
Deferred compensation	526,056		526,056
Interest payable	546,057		546,057
Bonds payable:			
Due within one year	1,203,000	4,392,000	5,595,000
Due in more than one year	29,277,984	66,552,537	95,830,521
Capital leases	122,574	484,831	607,405
Deferred income	1,836,729		1,836,729
Total liabilities	33,693,007	77,680,784	111,373,791
NET ASSETS:			
Invested in capital assets, net of related debt	46,856,718	68,172,152	115,028,870
Restricted for:			
Debt service	2,573,903		2,573,903
Public safety	66,350		66,350
Notes receivable in government funds	664,353		664,353
Other purposes	26,427,533		26,427,533
Unrestricted	2,088,083	27,461,936	29,550,019
Total Net Assets	\$ 78,676,941	\$ 95,634,087	\$ 174,311,028

The notes to the financial statements are an integral part of this statement.

CITY OF ST. GEORGE, UTAH
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2001

	Program Revenues				Business-type Activities	Total
	Expenses	Charges for Services & Contributions	Operating Grants & Contributions	Capital Grants & Contributions		
Governmental activities:						
General government	\$ 3,954,266	\$ 2,190,257	\$ -	\$ (1,764,009)	\$	(1,764,009)
Public Safety	7,572,827	1,362,319	650,499	(5,553,300)		(5,553,300)
Highways & public improvements	8,989,304	181,774	3,000,186	(4,454,740)		(4,454,740)
Parks, recreation & public property	6,551,776	1,232,447	840,970	(4,304,641)		(4,304,641)
Community & economic development	950,422	856,732	238,363	144,674		144,674
Interest on long-term debt	2,120,345			(2,120,345)		(2,120,345)
Total governmental activities	30,138,941	5,823,529	4,730,018	1,533,032	-	(18,052,362)
Business-type activities:						
Electric	36,944,119	27,360,880		(9,583,239)		(9,583,239)
Water	6,453,561	9,552,661		3,099,100		3,099,100
Wastewater collection	5,689,799	5,746,497		56,699		56,699
Regional wastewater treatment	4,238,956	6,560,738	8,500	2,330,281		2,330,281
Golf courses	3,964,637	3,992,466	6,218	34,047		34,047
Municipal bldg authority	530,596	-	-	143,480		143,480
Solid waste	2,039,401	2,036,412	-	(2,989)		(2,989)
Total business-type activities	59,861,069	55,249,654	14,718	674,076	(3,922,621)	(3,922,621)
General Revenues:						
Taxes:						
Property taxes levied for general purposes				4,798,994		4,798,994
Property taxes levied for debt service				1,612,536		1,612,536
Franchise taxes				2,779,617		2,779,617
General sales taxes & highway sales taxes				10,974,165		10,974,165
Business licenses				347,140		347,140
Investment income				2,031,496		2,031,496
Lease payments				(576,040)		19,196
Gain on sale of assets				56,477		56,477
Rents & concessions				7,935		7,935
Miscellaneous				132,945	(63,120)	69,825
Transfers				(305,715)	305,715	-
Total general revenues & transfers				22,019,344	2,869,327	24,888,671
Change in net assets				3,966,982	(1,053,294)	2,913,688
Net assets - beginning				74,709,959	96,687,381	171,397,339
Net assets - ending				\$ 78,676,941	\$ 95,634,087	\$ 174,311,028

The notes to the financial statements are an integral part of this statement.

CITY OF ST. GEORGE, UT
GOVERNMENTAL FUNDS TYPE
BALANCE SHEET
JUNE 30, 2001

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash	\$ 1,456,867	\$ 25,533,299	\$ 26,990,166
Accounts receivable	1,917,791	4,802,561	6,720,353
Prepaid expenses			
Inventory	48,218		48,218
Notes receivable	664,353		664,353
Due from other funds	-	512,324	512,324
Total assets	<u>\$ 4,087,229</u>	<u>\$ 30,848,184</u>	<u>\$ 34,935,414</u>

LIABILITIES AND FUND BALANCE

Liabilities:			
Construction bonds held	\$ 99,781		\$ 99,781
Due to other funds	388,645		388,645
Accrued liabilities	70,806	10,019	80,825
Deferred revenues	-	1,836,729	1,836,729
Total liabilities	<u>559,232</u>	<u>1,846,749</u>	<u>2,405,981</u>
Fund Balance:			
Reserved in Special revenue funds		5,952,743	5,952,743
Reserved for Debt service fund		2,573,903	2,573,903
Reserved for Capital projects fund		20,474,790	20,474,790
Reserved for Police Seizures	66,350		66,350
Reserved for Notes receivable	664,353		664,353
Unreserved - undesignated	2,797,294		2,797,294
Total fund balance	<u>3,527,997</u>	<u>29,001,436</u>	<u>32,529,433</u>
Total liabilities and fund balance	<u>\$ 4,087,229</u>	<u>\$ 30,848,184</u>	

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	77,460,277
Long-term liabilities, including bonds payable and capital leases, are not due and payable in the current period and therefore are not reported in the funds.	(31,675,671)
Fund balance in Self-Insurance internal service fund	362,902
	<u>\$ 78,676,941</u>

The notes to the financial statements are an integral part of this statement

CITY OF ST. GEORGE, UT
GOVERNMENTAL FUNDS TYPE
STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
 YEAR ENDED JUNE 30, 2001

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:			
Taxes & special assessments	\$ 16,117,048	\$4,895,777	\$ 21,012,825
Licenses and permits	1,169,019	-	1,169,019
Intergovernmental	2,506,070	49,363	2,555,432
Charges for services	3,752,768	-	3,752,768
Fines & forfeitures	862,925	-	862,925
Investment income	791,925	1,399,364	2,191,289
Rents & concessions	7,935	-	7,935
Miscellaneous	132,945	609,356	742,301
Capital development fees	-	2,250,748	2,250,748
	<hr/>	<hr/>	<hr/>
Total revenues	25,340,635	9,204,607	34,545,242
	<hr/>	<hr/>	<hr/>
Expenditures:			
Current:			
General government	3,035,366	81,001	3,116,367
Public safety	7,008,832	-	7,008,832
Highways & public improvements	6,331,930	-	6,331,930
Parks, recreation & public property	5,546,456	-	5,546,456
Community & economic development	874,723	-	874,723
Capital outlay	-	5,525,041	5,525,041
Debt service			
Capital leases	118,489	457,551	576,040
Principal	-	1,487,157	1,487,157
Interest & admin charges	-	1,574,288	1,574,288
	<hr/>	<hr/>	<hr/>
Total expenditures	22,915,795	9,125,039	32,040,834
	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over expenditures	2,424,839	79,569	2,504,408
	<hr/>	<hr/>	<hr/>
Other financing sources (uses):			
Transfers in	546,239	10,007,241	10,553,480
Transfers out	(3,027,556)	(7,785,400)	(10,812,956)
Proceeds from sale of capital assets	56,477	-	56,477
Proceeds from notes/bonds	-	20,000	20,000
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	(2,424,839)	2,241,841	(182,998)
	<hr/>	<hr/>	<hr/>
Net change in fund balances	-	2,321,410	2,321,410
	<hr/>	<hr/>	<hr/>
Fund balances, beginning of year,	3,527,998	26,680,026	30,208,024
	<hr/>	<hr/>	<hr/>
Fund balances, end of year	\$ 3,527,998	\$ 29,001,436	\$ 32,529,434
	<hr/>	<hr/>	<hr/>

The notes to the financial statements are an integral part of this statement.

CITY OF ST. GEORGE, UT
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
 TO THE STATEMENT OF ACTIVITIES**
 YEAR ENDED JUNE 30, 2001

Net change in fund balances - total governmental funds	\$ 2,321,410
Amounts reported for governmental activities in the statement of activities differs from the amounts reported in the statement of revenues, expenditures, and changes in fund balance because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	794,352
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	1,906,039
Issuance of long-term debt provides current financial resources in the governmental funds but increases long-term liabilities in the statement of net assets.	(20,000)
Accrued Interest for Long-term debt is not reported as an expenditure for the current period while it is recorded in the statement of activities	(546,057)
Compensated absences expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	(526,056)
Internal service funds are used by management to charge the costs of self-insurance to individual funds. The net revenue of these activities of internal service funds is reported with governmental activities.	83,533
Some revenues reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as revenues in the governmental funds	(46,238)
Change in net assets of governmental activities	<u><u>\$ 3,966,982</u></u>

The notes to the financial statements are an integral part of this statement.

CITY OF ST. GEORGE, UTAH
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2001

	BUDGETED AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)	
	ORIGINAL	FINAL	ACTUAL	
REVENUES:				
Taxes:				
General property taxes	\$ 4,650,000	\$ 4,650,000	\$ 4,529,284	\$ (120,716)
Prior year's delinquent taxes	200,000	200,000	269,710	69,710
General sales & use taxes	8,100,000	8,100,000	8,538,437	438,437
Franchise taxes	2,400,000	2,400,000	2,779,617	379,617
Total taxes	15,350,000	15,350,000	16,117,048	767,048
Licenses & permits:				
Business licenses & permits	330,000	330,000	347,140	17,140
Non-business licenses & permits	712,000	712,000	821,878	109,878
Total licenses & permits	1,042,000	1,042,000	1,169,019	127,019
Intergovernmental revenues:				
Federal grants	1,682,000	1,798,562	703,727	(1,094,835)
State grants	-	8,667	38,844	30,177
Class "C" roads	1,700,000	1,700,000	1,736,506	36,506
State liquor allotment	25,000	25,000	26,994	1,994
Total intergovernmental revenues	3,407,000	3,532,229	2,506,070	(1,026,159)
Charges for services:				
Enterprise funds	1,804,300	1,804,300	1,804,300	-
Public safety	479,000	479,000	499,394	20,394
Parks & public property	25,000	25,000	34,854	9,854
Cemetery	100,000	100,000	90,162	(9,839)
Recreation	1,198,100	1,228,100	1,142,285	(85,815)
Airport	100,000	100,000	165,206	65,206
Irrigation	15,000	15,000	16,568	1,568
Total charges for services	3,721,400	3,751,400	3,752,768	1,368
Fines & forfeitures:				
Court fines & bail forfeitures	600,000	600,000	862,925	262,925
Miscellaneous:				
Interest	450,000	751,000	791,925	40,925
Rents & concessions	-	-	7,935	7,935
Other	95,000	96,775	132,945	36,170
Total miscellaneous	545,000	847,775	932,805	85,030
Total revenues	24,665,400	25,123,404	25,340,635	217,231
Other Financing Sources :				
Sales of capital assets	-	-	56,477	56,477
Capital leases	-	-	-	-
Contributions from other entities	-	17,500	-	(17,500)
Appropriated fund balance	-	3,500,000	-	(3,500,000)
Transfers from other funds	522,700	542,876	546,239	3,363
Total Other Financing Sources :	522,700	4,060,376	602,716	(3,457,660)
Total revenues & Other Financing Sources	\$ 25,188,100	\$ 29,183,780	\$ 25,943,351	\$ (3,240,429)

The notes to the financial statements are an integral part of this statement

(continued)

CITY OF ST. GEORGE, UTAH
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
(continued)
YEAR ENDED JUNE 30, 2001

EXPENDITURES:	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
General government:				
City Council	\$ 565,721	\$ 665,721	\$ 605,415	\$ 60,306
City Manager	201,654	201,654	181,819	19,835
Human Resources	304,410	304,410	278,997	25,413
Administrative Services	640,750	640,750	630,114	10,636
Finance	976,558	1,082,558	973,314	109,244
Legal	381,479	381,479	365,706	15,773
Total general government	3,070,572	3,276,572	3,035,366	241,206
Public Safety:				
Police	5,753,404	5,960,917	5,893,557	67,360
Drug Task Force	198,867	225,534	139,411	86,123
Fire	1,011,955	1,049,455	975,864	73,591
Total public safety	6,964,226	7,235,906	7,008,832	227,074
Highways & public improvements:				
Flood Control	278,000	513,000	159,342	353,658
Public Works Administration	424,180	524,180	388,460	135,720
Streets	3,606,278	3,681,278	3,685,634	(4,356)
Automotive	523,210	552,210	593,778	(41,568)
Engineering	1,117,508	1,132,508	1,022,301	110,207
Airport	1,656,254	1,656,254	392,790	1,263,464
Irrigation	93,354	93,354	89,625	3,729
Total highways & improvements	7,698,784	8,152,784	6,331,930	1,820,854
Parks, Recreation & Public Property:				
Building Maintenance	455,680	545,680	442,150	103,530
Parks and open spaces	1,726,748	1,784,248	1,619,075	165,173
Recreation & cultural arts	2,937,692	3,315,692	3,246,833	68,859
Cemetery	210,372	239,372	238,398	974
Total parks, recreation & public property	5,330,492	5,884,992	5,546,456	338,536
Community & economic development	914,902	934,902	874,723	60,179
Debt service: Capital leases	118,489	118,489	118,489	-
Total expenditures	24,097,465	25,603,645	22,915,795	2,687,850
OTHER FINANCING USES				
Contributions to other funds	1,090,635	3,580,135	3,027,556	552,579
TOTAL EXPENDITURES & OTHER USES	25,188,100	29,183,780	25,943,351	3,240,429
Net change in fund balance	-	-	-	\$ -
Fund Balance at beginning of year	3,527,998	3,527,998	3,527,998	
Fund Balance at end of year	\$ 3,527,998	\$ 3,527,998	\$ 3,527,998	

The notes to the financial statements are an integral part of this statement

CITY OF ST. GEORGE, UTAH

STATEMENT OF NET ASSETS
PROPRIETARY FUNDS

JUNE 30, 2001

Business-type Activities - Enterprise Funds

ASSETS	ELECTRIC UTILITIES	WATER UTILITIES	WASTEWTR COLLECTION	WASTEWTR TREATMENT	MUNI-BLDG AUTHORITY	Non-Major Enterprise Funds	TOTALS 2001
Current assets:							
Cash	\$ 7,364,143	\$ (1,610,658)	\$ 2,892,577	\$ 8,460,375	\$ (182,295)	\$ (274,885)	\$ 16,649,257
Restricted cash	-	503,051	-	6,254,371	1,006,031	155,821	7,919,274
Accts. receivable (net of allowance for uncollectibles of \$596,762)	5,741,302	-	-	-	-	-	5,741,302
Inventory	1,532,678	204,847	-	-	-	-	1,737,524
Due from other funds	1,182,544	-	-	-	-	-	1,182,544
Note receivable	62,265	-	-	-	-	-	62,265
Bond discounts & insurance	-	906,268	-	401,275	176,708	49,995	1,534,247
Prepaid expenses	-	2,830	-	66,650	-	-	69,481
Total current assets	15,882,932	6,338	2,892,577	15,182,671	1,000,444	(69,069)	34,895,895
Capital assets net of accumulated depreciation	23,926,261	52,164,169	2,060,205	39,911,687	9,505,358	12,033,840	139,601,521
TOTAL ASSETS	39,809,194	52,170,508	4,952,782	55,094,359	10,505,802	11,964,772	174,497,415
LIABILITIES							
Current liabilities:							
Accrued liabilities	4,458,266	338,804	15,510	77,212	224,002	169,499	5,283,293
Capital leases	-	484,831	-	-	-	-	484,831
Deposits payable	844,444	-	-	-	-	-	844,444
Total current liabilities	5,302,710	823,635	15,510	77,212	224,002	169,499	6,612,568
Long-term liabilities:							
Bonds payable - long term	-	26,583,713	-	33,020,272	8,351,000	2,989,552	70,944,537
Due to other funds (long-term)	-	-	-	-	-	1,306,223	1,306,223
Total long-term liabilities	-	26,583,713	-	33,020,272	8,351,000	4,295,775	72,250,761
Total liabilities	5,302,710	27,407,348	15,510	33,097,484	8,575,002	4,465,274	78,863,329
NET ASSETS							
Invested in capital assets, net of related debt	23,926,261	25,095,625	2,060,205	6,891,415	1,154,358	9,044,289	68,172,152
Restricted	-	503,051	-	6,254,371	1,006,031	155,821	7,919,274
Unrestricted	10,580,222	(835,517)	2,877,067	8,851,089	(229,589)	(1,700,612)	19,542,660
Total net assets	\$ 34,506,483	\$ 24,763,159	\$ 4,937,272	\$ 21,996,875	\$ 1,930,800	\$ 7,499,498	\$ 95,634,087

The notes to the financial statements are an integral part of this statement.

CITY OF ST. GEORGE, UTAH
STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN FUND NET ASSETS

PROPRIETARY FUNDS

YEAR ENDED JUNE 30, 2001

	Business-type Activities - Enterprise Funds						TOTALS
	ELECTRIC UTILITIES	WATER UTILITIES	WASTEWTR COLLECTION	WASTEWTR TREATMENT	MUNI-BLDG AUTHORITY	Non-Major Enterprise Funds	2001
OPERATING REVENUES:							
Charges for services	\$ 25,283,678	\$ 8,069,746	\$ 5,505,002	\$ 5,447,769	\$ -	\$ 6,028,878	\$ 50,335,073
Other operating revenues	2,077,202	1,482,915	241,495	1,112,969	-	-	4,914,581
Total operating revenues	27,360,880	9,552,661	5,746,497	6,560,738	-	6,028,878	55,249,654
OPERATING EXPENSES:							
Electricity purchased	28,264,928	-	-	461,604	-	-	28,726,532
Water purchased	-	566,048	-	-	-	-	566,048
Salary and wages	1,802,204	1,092,805	349,698	624,224	-	1,141,954	5,010,885
Supplies	2,782,123	-	12,991	-	-	272,661	3,077,774
Service vehicle expense	95,855	55,495	38,298	23,103	-	18,543	231,293
Equipment rental	20	10,419	223	2,696	-	245,352	258,710
Depreciation	1,788,503	1,317,693	315,035	855,361	106,422	295,784	4,678,798
Bad debts	123,868	40,410	27,543	-	-	10,177	201,999
Payroll tax & employee benefits	658,474	433,830	147,090	245,307	-	426,604	1,911,304
Office & dept. supplies	87,496	40,124	5,108	53,732	5	86,042	272,506
Professional services	141,743	112,481	5,315	120,441	17,179	510,802	907,962
R. & M. - equipment	325,753	680,216	58,935	297,355	-	95,891	1,458,150
R. & M. - buildings and grounds	35,983	5,281	9,900	38,915	-	552,949	643,027
Insurance & surety bonds	36,535	80,152	20,720	29,345	-	28,383	195,135
Travel	24,659	12,248	6,811	10,436	-	10,221	64,375
Miscellaneous	207	307	-	-	-	-	514
Interest expense	35,583	-	-	-	-	-	35,583
Subscriptions & memberships	6,386	2,395	297	576	-	15,574	25,228
Lease payments	-	-	-	-	-	-	-
Contract labor	-	-	4,438,834	-	-	1,928,830	6,367,664
Billing & administration	723,800	482,500	253,000	245,000	-	100,000	1,804,300
Total operating expenses	36,944,119	4,932,402	5,689,799	3,008,094	123,606	5,739,766	56,437,786
Operating income (loss)	(9,583,239)	4,620,259	56,699	3,552,644	(123,606)	289,112	(1,188,132)
NON-OPERATING REVENUES (EXPENSES)							
Interest income	831,271	67,356	166,484	890,212	33,176	42,996	2,031,496
Rent	-	-	-	8,500	595,236	6,218	609,954
Miscellaneous income	32,248	(196,144)	-	37,209	-	63,568	(63,120)
Interest charges	-	(1,521,159)	-	(1,230,862)	(406,989)	(264,273)	(3,423,283)
Total non-operating revenue (expense)	863,519	(1,649,946)	166,484	(294,941)	221,423	(151,491)	(844,953)
Income before transfers	(8,719,720)	2,970,313	223,183	3,257,702	97,817	137,621	(2,033,085)
Contributions	-	-	-	-	674,076	-	674,076
Transfers from other funds	-	-	-	-	55,815	249,900	305,715
Change in Net Assets	(8,719,720)	2,970,313	223,183	3,257,702	827,708	387,521	(1,053,294)
Total net assets - beginning	43,226,203	21,792,847	4,714,089	18,739,173	1,103,093	7,111,977	96,687,382
Total net assets - ending	\$ 34,506,483	\$ 24,763,160	\$ 4,937,272	\$ 21,996,875	\$ 1,930,801	\$ 7,499,498	\$ 95,634,088

The notes to the financial statements are an integral part of this statement.

CITY OF ST. GEORGE, UTAH

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

YEAR ENDED JUNE 30, 2001

Business-type Activities - Enterprise Funds

	ELECTRIC UTILITIES	WATER UTILITIES	WASTEWTR COLLECTION	WASTEWTR TREATMENT	MUNI-BLDG AUTHORITY	Non-Major Enterprise Funds	TOTALS 2001
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts from customers and users	\$ 25,750,730	\$ 9,567,119	\$ 5,746,497	\$ 6,560,738	\$ -	\$ 6,028,878	\$ 53,653,962
Receipts from interfund services provided							
Payments to suppliers	(30,449,315)	(2,154,629)	(4,875,099)	(1,212,546)	(75,333)	(3,873,000)	(42,639,921)
Payments to employees	(2,480,678)	(1,526,635)	(496,788)	(869,530)	-	(1,568,558)	(6,922,189)
Payments for interfund services used							
Net cash provided by operating activities	(7,159,263)	5,885,856	374,610	4,478,662	(75,333)	587,320	4,091,852
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES							
Rents received				8,500	595,236	6,218	609,954
Miscellaneous non-operating income	32,248	(196,144)		37,209		63,568	(63,119)
Economic development transfer						249,900	249,900
Net cash provided (used) by noncapital and related financing activities	32,248	(196,144)	-	45,709	595,236	319,686	796,735
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Proceeds from capital debt		8,760,000			350,000		10,009,552
Capital contributions					729,891	899,552	10,009,552
Purchases of capital assets	(743,055)	(3,051,440)	(310,060)	(249,061)	(186,468)	(1,566,855)	(6,106,939)
Principal paid on capital debt		(9,055,000)		(2,296,478)	(549,000)	(494,011)	(12,394,489)
Interest paid on capital debt		(1,494,744)		(1,230,862)	(406,989)	(264,273)	(3,396,868)
Capital lease principal payments		(84,457)					(84,457)
Capital lease interest payments		(26,415)					(26,415)
Deferred gain on bond redemptions		(485,496)					(485,496)
Net cash provided (used) by capital and related financing activities	(743,055)	(5,437,552)	(310,060)	(3,776,401)	(62,566)	(1,425,587)	(11,755,222)
CASH FLOWS FROM INVESTING ACTIVITIES							
Interest received	831,271	67,356	166,484	890,212	33,176	42,996	2,031,496
Net increase (decrease) in cash and cash equivalents	(7,038,798)	319,516	231,034	1,638,181	490,513	(475,585)	(4,835,139)
Cash and equivalents at beginning of year	14,402,941	(1,427,124)	2,661,543	13,076,566	333,224	356,521	29,403,671
Cash and equivalents at end of year	\$ 7,364,143	\$ (1,107,608)	\$ 2,892,577	\$ 14,714,747	\$ 823,737	\$ (119,064)	\$ 24,568,532
Reconciliation of operating income to net cash provided (used) by operating activities:							
Operating income (loss)	(9,583,239)	4,620,259	56,699	3,552,644	(123,606)	289,112	(1,188,132)
Adjustments to reconcile net income from operations to net cash provided by operating activities:							
Depreciation	1,788,503	1,317,693	315,035	855,361	106,422	295,784	4,678,798
Changes in assets & liabilities:							
Decrease (increase) in receivables	(1,712,964)	14,458					(1,698,506)
Decrease (increase) in inventory	661,090	(11,835)					649,255
Decrease (increase) in interfund rec.	92,982						92,982
Decrease (increase) in discounts		(5,507)		36,986	(2,056)	(16,401)	13,022
Decrease (increase) in prepaid exp.		1		37,470			37,471
Decrease (increase) in note rec.	9,832						9,832
Increase (decrease) in deposits	140,953						140,953
Increase (decrease) in interfund pay.							
Increase (decrease) in accruals	1,443,580	(49,213)	2,877	(3,799)	(56,093)	18,825	1,356,177
Total adjustments	2,423,976	1,265,597	317,912	926,018	48,273	298,208	5,279,984
Net cash provided by operating activities:	\$ (7,159,263)	\$ 5,885,856	\$ 374,610	\$ 4,478,662	\$ (75,333)	\$ 587,320	\$ 4,091,852

The notes to the financial statements are an integral part of this statement.

CITY OF ST. GEORGE, UTAH
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS

JUNE 30, 2001

	PERPETUAL CARE PRIVATE-PURPOSE TRUST FUND *****		PENSION TRUST *****		TOTALS 2001 *****
ASSETS					
Restricted cash and investments	\$ 8,125		\$ 10,169,449		\$ 10,177,574
Total Assets	8,125		10,169,449		10,177,574
LIABILITIES					
Liabilities:					
Accrued liabilities	75		-		75
Total liabilities	75		-		75
NET ASSETS					
Held in trust for pension benefits and other purposes	\$ 8,050		\$ 10,169,449		\$ 10,177,499

The notes to the financial statements are an integral part of this statement

CITY OF ST. GEORGE, UTAH
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2001

	PERPETUAL CARE PRIVATE-PURPOSE TRUST FUND *****	PENSION TRUST *****	TOTALS 2001 *****
ADDITIONS			
Retirement contributions	\$ -	\$ 617,531	\$ 617,531
Life insurance contributions	-	35,192	35,192
Certificate sales	26,845	-	26,845
Net decrease in fair value of investments	-	(879,539)	(879,539)
Citizen donations	-	-	-
Total additions	26,845	(226,816)	(199,971)
DEDUCTIONS			
Administrative & general	395	-	395
Life insurance premiums	-	35,192	35,192
Retirement withdrawals	-	710,469	710,469
Transfers to other government agencies	22,700	-	22,700
Total deductions	23,095	745,661	768,756
Change in net assets	3,750	(972,476)	(968,726)
Net assets - beginning of year	4,300	11,141,925	11,146,225
Net assets - end of year	\$ 8,050	\$ 10,169,449	\$ 10,177,499

The notes to the financial statements are an integral part of this statement

CITY OF ST. GEORGE, UT
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2001

I. *Summary of significant accounting policies*

A. Reporting entity

The basic financial statements of the City have been prepared in conformity with generally accepted accounting principles (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing accounting and financial reporting principles.

Financial reporting is based upon all GASB pronouncements, as well as the FASB Statements and Interpretations, APB Opinions and Accounting Research Bulletins that were issued on or before November 30, 1989 that do not conflict with or contradict GASB pronouncements. FASB pronouncements issued after November 30, 1989 are not followed in the preparation of the accompanying financial statements.

The City of St. George (City) was incorporated January 17, 1862. The City operates under a Council-Mayor-Manager form of government. As required by GAAP, these financial statements present the City and its component units, entities for which the City is considered to be financially accountable. The City is considered to be financially accountable for an organization if the City appoints a voting majority of that organization or there is a potential for that organization to provide specific financial benefits to or impose specific financial burdens on the City. The City is also considered to be financially accountable for an organization if that organization is fiscally dependent (i.e., it is unable to adopt its budget, levy taxes, set rates or charges, or issue bonded debt without approval from the City). The Downtown Redevelopment Fund is a component unit and is accounted for as a Capital Projects fund.

B. Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the City and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those

which are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The use of financial resources to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as an expenditure. Proceeds of long-term debt are recorded as a liability in the government-wide financial statements, rather than as an other financing source. Amounts paid to reduce long-term debt of the City are reported as a reduction of the related liability, rather than an expenditure in the government-wide financial statements.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt-service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Sales taxes, franchise taxes, innkeeper taxes, and earned but unreimbursed state and federal grants associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenues are

considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except for those required to be accounted for in another fund.

The City reports the following major proprietary funds:

The Electric Utility accounts for the activities of the City's electric distribution operations. The Water Utility accounts for the activities of the City's water production, treatment, and distribution operations.

The Wastewater Collection fund accounts for the operation and maintenance of the City-owned collection system for wastewater.

The Wastewater Treatment fund accounts for the operation and maintenance of the Regional wastewater treatment plant which also services Ivins, Santa Clara, and Washington with the City being the operator.

The Municipal Building Authority fund accounts for the lease-purchase bonds issued for construction of various projects throughout the City that will be owned by the Authority and leased to another fund which will make lease payments equal to the debt service on the related bonds.

Additionally, the City reports the following fund types:

An Internal Service fund to account for the self-insurance activities of the various funds throughout the City. Fiduciary funds are maintained for the activities of the Pension Trust fund which accounts for the activities of the City's defined contribution plan, and for the Perpetual Care fund which accounts for the collection of perpetual care fees used for the financing, operation, and maintenance of the City owned cemeteries.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments to the General Fund by various enterprise funds for the providing of administrative and billing services for such funds. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of all enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds includes the cost of sales and

services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

D. Assets, liabilities, and net assets or equity

1. Deposits and investments

Cash includes cash on hand, demand deposits with banks and other financial institutions, and deposits in other types of accounts or cash management pools that have the general characteristics of demand deposit accounts. City policy allows for the investment of funds in time certificates of deposit with federally insured depositories, investment in the state treasurer's investment pool, and other investments as allowed by the State of Utah's Money Management Act. Investments are reported at fair value. The State Treasurer's Investment Pool operates in accordance with state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

2. Receivables and payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to or due from other funds". In the City Electric, Water, Wastewater Collection, and Refuse Collection funds, the City records utility revenues billed to customers when meters are read on a monthly basis. Unbilled service accounts receivable at June 30, 2001 were estimated based on July billings and are included in the operating revenues and accounts receivable at year-end. An allowance for uncollectible accounts is recorded as bad debt expense equal to 1/2 of 1% of revenues in the Electric, Water, Wastewater Collection, and Refuse Collection enterprise funds.

3. Inventories and prepaid items

Inventories of materials and supplies in the Electric and Water Funds, consisting principally of materials used in the repair of the transmission, distribution, collection and treatment systems, are valued at cost and accounted for on a first-in, first-out basis (FIFO). Inventory in the General Fund is primarily supplies in the automotive division which are expended on a consumption basis. This inventory is likewise accounted for on a FIFO basis.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

4. Capital assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g.,

roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an individual cost of more than \$5,000 and an estimated useful life in excess of three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Property, plant, and equipment is depreciated using the straight-line method over the following estimated useful lives:

Building and improvements	10 to 100 years
Infrastructure	15 to 100 years
Machinery and equipment	7 to 30 years

5. Compensated absences

For governmental funds amounts of vested or accumulated vacation leave and comp time that are not expected to be liquidated with expendable available financial resources are reported as liabilities in the government-wide statement of net assets and as expenses in the government-wide statement of activities. No expenditures are reported for these amounts in the fund financial statements. Vested or accumulated vacation leave and comp time of proprietary funds is recorded as an expense and a liability of those funds as the benefits accrue to the employees and are thus recorded in both the government-wide financial statements and the individual fund financial statements. In accordance with GAAP, no liability or expense/expenditure is recorded for non-vesting accumulating rights to receive sick pay benefits.

6. Long-term obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums, discounts, and issuance costs are deferred and amortized over the life of the applicable debt. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

7. Restricted assets

Restricted assets are comprised of cash restricted for future payments of principal and interest on debt service as well as unexpended portions of bonds issued for capital construction purposes.

II. Reconciliation of government-wide and fund financial statements

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets.

The governmental fund balance sheet includes a reconciliation between total governmental fund balances and net assets of governmental activities as reported in the government-wide statement of net assets. This difference primarily results from the long-term economic focus of the statement of net assets versus the current financial resources focus of the governmental fund balance sheets.

Capital related items:

When capital assets (property, plant, & equipment) that are to be used in governmental activities are purchased or constructed, the cost of those assets are reported as expenditures in governmental funds. However, the statement of net assets includes those capital assets among the assets of the City as a whole.

Cost of capital assets	\$114,722,128
Accumulated depreciation	<u>(37,261,852)</u>
Total difference	<u>\$ 77,460,276</u>

Long-term debt transactions:

Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities in the fund financials. All liabilities (both current and long-term) are reported in the statement of net assets. Balances at June 30, 2001 were:

Downtown Redevelopment bonds	\$ 794,000
Excise tax bonds	2,595,000
Parks and recreation general obligation bonds	17,580,000
Special assessment bonds	3,361,000
Note payable	50,000
Capital lease	6,223,558
Interest payable on long-term debt	546,057
Compensated absences	<u>526,056</u>
Total difference	<u>\$31,675,671</u>

B. Explanation of differences between governmental fund operating statements and the statement of net activities.

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances - total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. The first element of this reconciliation states that capital outlays are reported in the governmental funds as expenditures while the government-wide statement of activities allocates these costs over the useful lives of the assets as depreciation. While shown in the reconciliation as the net difference, the elements of this difference are as follows:

Capital outlay	\$5,525,041
Depreciation expense	<u>(4,730,689)</u>
Net difference as reported	<u>\$ 794,352</u>

III. Stewardship, compliance, and accountability

A. Budgetary information

Annual budgets are adopted on a basis consistent with GAAP for all governmental funds. Control is maintained at the function level (i.e., general government, public safety, highways & improvements, parks & public property, etc.). All appropriations lapse at fiscal year end.

The City Council observes the following procedures in establishing the budgetary data reflected in the fund financial statements:

- 1) Prior to the first meeting in May, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1st. The operating budget includes proposed expenditures and the means of financing them. Budgets are prepared for all City funds including proprietary funds.
- 2) Public hearings are conducted to obtain taxpayer comments.
- 3) Prior to June 22nd, the budget is legally enacted through passage of an ordinance.
- 4) The City Manager is authorized to transfer budgeted amounts within function levels; however, to transfer budgeted amounts between function levels requires City Council approval. Any revisions that alter the total expenditures of any fund must be approved through a public hearing by the City Council and can be made at any time during the fiscal year. The General Fund budget was increased by

\$3,995,680 or 15.86% of the original budget. The largest amount of the increase was to transfer to the Capital Equipment Fund the anticipated General Fund surplus revenues for the year which were then allocated to various capital projects. This increase was for \$3,500,000 or 87.59% of the total budgeted increase. The balance of the increase was for unanticipated expenditures and to take advantage of additional revenues which were received.

5) Although Utah State law requires the initial preparation of budgets for all City funds (both governmental & proprietary), it only requires the reporting of actual versus such budgets for governmental funds.

B. Tax Revenues

Property taxes are collected by the Washington County Treasurer and remitted to the City in two to three installments in July, December, and a final settlement in the first quarter of the calendar year. Taxes are levied and are due and payable on November 1st and delinquent after November 30th of each year at which time they become liens if not paid. An accrual of uncollected current and prior year's property taxes beyond that which was received within 60 days after fiscal year end has not been made, as the amounts are not deemed to be material.

Sales taxes are collected by the Utah State Tax Commission and remitted to the City monthly. An accrual has been made for all taxes received by the State for the period ended June 30th and thus due and payable to the City.

Franchise taxes are charged to various utility companies doing business with the City including telephone, cable television, gas utility, and electric utility companies. The fees are generally remitted on a monthly basis. Again an accrual has been made for all fees due and payable to the City at June 30th.

The Innkeeper business license fee is collected at 1% of transient room rentals at motels, hotels, and R.V. parks. It is remitted to the City on a quarterly basis. Again an accrual has been made for all fees due and payable to the City at June 30th.

C. Excess of expenditures over appropriations

For the fiscal year ended June 30, 2001, the Drainage Impact Capital Projects Fund expenditures exceeded appropriations by \$17,240. These expenditures were funded by greater than anticipated revenues in this fund. The Street Bond Projects - Capital Projects Fund expenditures exceeded appropriations by \$153,039. Such over-expenditures resulted in a deficit fund balance in this fund which will be eliminated by the transfer of funds from the Public Works - Capital Projects fund.

D. Deficit fund equity

The Special Assessment Construction - Capital Projects Fund has a deficit balance of \$1,461,355. This represents costs paid by the City to fund the construction of various SID projects throughout the City and will be eliminated when the districts are closed and bonds issued to reimburse the City for such costs.

The Street Impact Fund - Capital Projects Fund has a deficit balance of \$113,752. This will be made up as impact fees are collected in the future to pay for costs which must be paid to complete projects which are necessary currently.

As noted in "C" above, the Street Bonds Projects - Capital Projects Fund has a deficit fund balance of \$64,538 which will be eliminated with a transfer from the Public Works - Capital Projects fund during the next fiscal year.

IV. Detailed Notes for All Funds

A. Cash and investments

Listed below is a summary of the cash and temporary cash investment portfolio of the City as of June 30, 2001. Investments are governed by the Utah Money Management Act. At June 30, 2001, the carrying amount of the City's demand deposits was \$(3,174,326) and the bank balance was \$1,159,128. Of the bank balance \$413,734 was covered by federal depository insurance and \$745,394 was uninsured and uncollateralized. The following table provides information about the credit and market risks associated with the City's temporary cash investments.

Category 1 - includes investments that are insured or registered or for which the securities are held by the City or its agent in the City's name.

Category 2 - includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the City's name.

Category 3 - includes uninsured and unregistered investments for which the securities are held by the counterparty or by its trust department or agent but not in the City's name.

	<u>Category</u>			<u>Carrying Amount</u>	<u>Market Value</u>
	<u>1</u>	<u>2</u>	<u>3</u>		
U.S. Treasury Fund	\$7,980,153			\$7,980,153	\$7,980,153
Federal Farm Cr Bank	2,000,000			2,000,000	2,000,000
Insurance Co. Investment Contracts				10,169,449	10,169,449
Investment in: Treasurer's investment pool				41,293,242	41,293,242
Total cash investments				61,442,844	61,442,844
Cash & time deposits				656,329	656,329
Total cash and temporary investments				\$62,099,173	\$62,099,173

B. Deposits

Enterprise fund deposits are deposits the City requires from residential renters and any business receiving a utility connection. The deposit is returnable after 3 years for residential and 2 years for business customers upon proof of good credit performance.

C. Notes receivable

In the Economic Development Special Revenue Fund is one note for the purchase of a lot in the Millcreek Industrial Park and one note for the sale of an additional piece of city-owned property on contract. The following are the borrowers, general terms, and amounts of such notes.

St. George Truss - installments of \$5,676 due annually January 1 st . Interest at 10%	\$17,080
Dale Jones Irrevocable Trust - interest due monthly at 7%. Principal of \$300,000 due July 1, 2001; Principal of \$300,000 due July 1, 2002; and balance due on July 1, 2003.	<u>1,004,888</u> <u>\$1,021,968</u>

Subsequent to year-end the \$300,000 due on July 1, 2001 was paid as per the contract.

In the General Fund, an economic incentive note has been written with the developers of the Ft. Pierce Business Park. The agreement states that the Ft. Pierce Business Park, LC., may borrow up to \$1,200,000 from the City. Interest will accrue at 8%. Interest was capitalized thru December 31, 1999, and thereafter has been due quarterly beginning April 1, 2000. In addition, for each lot sold, the developers will remit to the City from each closing 10.88% of the gross sales proceeds to be applied to the note. At June 30, 2001, the unpaid principal and interest totaled \$664,353.

In the Electric Utility Fund, an economic incentive agreement has been entered into with St. George Steel Incorporated. The City made certain improvements to the electrical system at the company's place of business as an incentive to have them remain in the City. Based upon a formula for increased utility usage and other factors, a discounted utility rate will be calculated each year to apply as payments to the note. Interest will accrue at 8%. At June 30, 2001, the balance was \$62,265.

D. Capital assets

Capital asset activity for the year ended June 30, 2001 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Land	\$10,082,534	1,381,205		\$11,463,739
Buildings	16,450,884	96,711		16,547,595
Improvements	31,422,517	2,296,612		33,719,129
Infrastructure	40,644,861	2,505,571		43,150,430
Equipment, etc	<u>8,835,270</u>	<u>1,005,962</u>		<u>9,841,232</u>
	107,436,066	7,286,061	-	114,722,125
Less accumulated depreciation	<u>(32,531,160)</u>	<u>(4,730,689)</u>	-	<u>(37,261,849)</u>
Net governmental capital assets	<u>\$74,904,906</u>	<u>\$2,555,372</u>	-	<u>\$77,460,276</u>

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type activities:				
Municipal bldg Authority	\$9,667,142	186,470		\$9,853,612
Accum. Depr.	<u>(241,830)</u>	<u>(106,422)</u>		<u>(348,252)</u>
Net	<u>9,425,312</u>	<u>80,046</u>		<u>9,505,360</u>
Water Utility	61,216,149	3,051,439		64,267,588
Accum. Depr.	<u>(10,785,726)</u>	<u>(1,317,693)</u>		<u>(12,103,419)</u>
Net	<u>50,430,423</u>	<u>1,733,746</u>		<u>52,164,169</u>
Wastewater Collection	4,718,372	310,060		5,028,432
Accum. Depr.	<u>(2,653,193)</u>	<u>(315,035)</u>		<u>(2,968,228)</u>
Net	<u>2,065,179</u>	<u>(4,975)</u>		<u>2,060,204</u>
Electric Utility	43,787,092	2,012,789	(1,468,498)	44,331,383
Accum. Depr.	<u>(18,815,382)</u>	<u>(1,788,503)</u>	<u>198,763</u>	<u>(20,405,122)</u>
Net	<u>24,971,710</u>	<u>224,286</u>	<u>(1,269,735)</u>	<u>23,926,261</u>
Golf Courses	13,152,622	1,566,855		14,719,477
Accum. Depr.	<u>(2,389,852)</u>	<u>(295,784)</u>		<u>(2,685,636)</u>
Net	<u>10,762,770</u>	<u>1,271,071</u>		<u>12,033,841</u>

Regional			
Wastewater	44,817,154	249,061	45,066,215
Accum. Depr.	<u>(4,299,168)</u>	<u>(855,361)</u>	<u>(5,154,529)</u>
Net	<u>40,517,986</u>	<u>(606,300)</u>	<u>39,911,686</u>

Business-type activities			
net capital assets	<u>\$138,173,380</u>	<u>2,697,876</u>	<u>(1,269,735)</u> <u>\$139,601,521</u>

In the government-wide financial statements depreciation was charged as follows by program or activity:

Governmental activities:

General government	\$ 462,127
Public safety	378,004
Highways, streets, etc.	2,930,960
Parks, recreations, etc.	917,861
Community development	<u>41,737</u>

Total depreciation expense - governmental activities \$4,730,689

Business-type activities:

Municipal building authority	\$ 106,422
Water utility	1,317,693
Wastewater collection	315,035
Electric utility	1,788,503
Golf courses	295,784
Regional wastewater treatment	<u>855,361</u>

Total depreciation expense - business-type activities \$4,678,798

The City has followed the procedure of capitalizing large purchases of poles, transformers, pipes, etc. in the electric and water enterprise funds. Many of these materials are not used immediately upon purchase, but rather kept on hand in case of an emergency need. Upon inspection of these supplies, it was deemed to be more accurate to classify these assets as inventory rather than to capitalize them. Thus, an inventory count was performed and an appropriate amount of the fixed assets were classified as inventory.

E. Interfund receivables, payables, and transfers

At June 30, 2001, interfund balances due to or from other funds was as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Special Assessment Debt Service	Golf Course Fund	\$ 123,679
	General Fund	388,645

Electric Utility

Golf Course Fund

1,182,544
\$1,694,868

The Golf Course Fund has borrowed a total of \$1,900,000 from the Electric Utility Fund for the purchase of the Southgate Golf Course. The loan is being repaid through monthly installments of \$13,320.66 which includes principal and interest. The interest rate is calculated each year on November 1st and is equal to the average interest rate earned on City deposits invested in the state treasurer's investment pool for the prior twelve months.

In addition to the above amounts which will be repaid by the respective funds, transfers were made which will not be repaid. Such amounts for the fiscal year ended June 30, 2001 were as follows:

<u>Fund Transferring Out</u>	<u>Fund Receiving Transfer</u>	<u>Amount</u>
General Fund	Golf Course Fund	\$ 249,900
	Muni Bldg Authority	55,815
	Public Works Capital Proj.	340,000
	Capital Equip Cap. Projects	2,381,841
	Innkeeper Special Revenue	65,000
Economic Development Fund	General Fund	500,000
Transportation Improvmnt	Public Works Capital Proj.	4,917,596
Capital Equipment Fund	Public Works Capital Proj.	600,000
Street Impact Fund	Public Works Capital Proj.	970,000
Drainage Impact Fund	Public Works Capital Proj.	732,804
Street Bond Capital Proj. Fund	General Fund	22,700
Perpetual Care	General Fund	23,539
Police Seizures	Total Interfund Transfers	<u>\$10,859,195</u>

F. Long-term debt

General Obligation Bonds

The City has issued general obligation bonds to provide funds for the acquisition and construction of major parks and recreation capital facilities throughout the City. In a special election in 1996, the citizens authorized the issuance of up to \$18 million in general obligation bonds. In January of 1997, the first installment of such bonds were issued for \$12 million. In January of 1999, the balance of \$6 million was issued.

General obligation bonds are direct obligations of the City and pledge the full faith and credit of the City. The first installment of 1997 G.O. bonds are due in installments ranging from \$60,000 to \$1,405,000 thru August 1, 2021. The second installment of 1999 G.O. bonds are due in installments ranging from \$35,000 to \$1,820,000 thru August 1, 2023.

General obligation bonds currently outstanding at June 30, 2001 are as follows:

Governmental activities:

	<u>Interest rates</u>	<u>Amount</u>
1997 G.O. Parks & Recreation	5.10% to 8.00%	\$11,580,000
1999 G.O. Parks & Recreation	4.50% to 7.50%	<u>6,000,000</u>
		<u>\$17,580,000</u>

In addition, the City Downtown Redevelopment Agency has issued tax increment bonds which were used for the refurbishing of a portion of the downtown part of the City. Such bonds are treated as general obligation debt by the City as they are guaranteed by the assessment and collection of property taxes in accordance with the redevelopment laws of the State of Utah. The bonds were issued in two installments in 1995. The 1995A serial bonds were issued for \$840,000 and are due in annual installments of \$83,000 to \$123,000 thru June 1, 2005 and the 1995B serial bonds were issued for \$835,000 are due in annual installments of \$88,000 to \$141,000 thru June 1, 2005. At June 30, 2001 the outstanding balances of such issues was a follows:

Governmental activities:

	<u>Interest rates</u>	<u>Amount</u>
1995A Downtown Redevelopment	5.45%	\$432,000
1995B Downtown Redevelopment	5.48%	<u>362,000</u>
		<u>\$794,000</u>

The City has two other debts which it treats as general obligation type debt because of the nature of the debt and the revenues being used to fund the related debt service. These two debts are a note payable to Brooks Pace & Bill Randall for the purchase of additional property in the downtown redevelopment district. The original debt was for \$100,000 and is being repaid in installments of \$25,000 per year. In addition, in 1996, the City issued Excise Tax revenue bonds which are secured by the collection of Class "C" road funds in the General Fund. Such bonds were originally issued for \$3,880,000 and were used for the construction of major capital asset facilities throughout the City in accordance with the allowed uses of Class "C" road funds as mandated by the State of Utah. The bonds are being repaid in annual installments of \$385,000 to \$485,000 thru December 1, 2006. At June 30, 2001, these two debts balances are as follows:

Governmental activities:

	<u>Interest rates</u>	<u>Amount</u>
1996 Excise Tax Revenue bonds	4.50% to 4.95%	\$2,595,000
Note payable to Pace & Randall	0.00%	<u>50,000</u>
		<u>\$2,645,000</u>

Total City reflected General Obligation Debt	<u>\$21,019,000</u>
----------------------------------------------	---------------------

Annual debt service requirements to maturity for the above reflected general obligation debt is as follows:

(In thousands of dollars)

<u>Year Ended</u> <u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2002	\$ 641	\$ 1,117	\$ 1,758
2003	701	1,085	1,786
2004	746	1,048	1,794
2005	866	1,006	1,872
2006	690	956	1,646
2007-2011	2,460	4,274	6,734
2012-2016	3,705	3,499	7,204
2017-2021	6,130	2,173	8,303
2022-2024	<u>5,080</u>	<u>394</u>	<u>5,474</u>
Totals	<u>\$21,019</u>	<u>\$15,552</u>	<u>\$36,571</u>

The City over the past several years has created several special assessment districts in which various improvements (i.e.; streets, curb & gutter, sidewalk, etc) have been constructed and bonds issued for the construction costs. These bonds are being repaid from assessments against those property owners which have received the benefit of such construction. In the event that a deficiency exists because of unpaid or delinquent special assessments at the time a debt service payment is due, the City provides the resources necessary to cover such deficit until further collection efforts can be taken to provide the necessary funds. At June 30, 2001, the various issues outstanding are as follows:

(amounts in thousands)

<u>District</u>	<u>Original Issue</u>	<u>Annual principal</u>	<u>Interest rates</u>	<u>Final Due Date</u>	<u>Amount</u>
97-1	\$ 265	\$23 to \$33	5.05% to 5.20%	8/1/08	\$ 223
93-1	1,872	\$187 to \$188	6.7% to 6.95%	12/1/04	750
96-1	221	\$20 to \$27	5.5% to 5.15%	4/1/08	166
88-3	1,635	\$165	5.9% to 6%	7/15/02	330
97-2	1,651	\$134 to \$210	5.50% to 5.95%	11/1/09	1,523
98-1	400	\$33 to \$51	5.40% to 5.8%	12/15/09	<u>369</u>
		Total special assessment debt			<u>\$3,361</u>

Annual debt service requirements to maturity for special assessment bonds are as follows:

(in thousands of dollars)

Year Ended June 30	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2002	\$ 562	\$ 200	\$ 762
2003	574	166	740
2004	423	131	554
2005	435	105	540
2006	261	79	340
2007-2010	<u>1,106</u>	<u>159</u>	<u>1,265</u>
Totals	\$ <u>3,361</u>	\$ <u>840</u>	\$ <u>4,201</u>

In connection with several districts, property owners against whom an assessment have been levied have, in a few cases, either gone bankrupt or breached their obligation to make installments as they come due. Most of these are collectible, and even where bankruptcy has occurred, the property affected by the levy should be available for foreclosure. As required by state law, a guarantee fund has been established within the special assessment debt service fund. The law requires that a tax rate of .00002 be charged to all general property taxpayers until sufficient funds are accumulated in the guarantee fund to meet statutory requirements. The requirements are that 25% of the remaining outstanding bond principal for bonds issued prior to 1987 and 10% of the remaining outstanding bond principal for bonds issued after that date. The required and maintained balance at June 30, 2001, is \$336,100.

Revenue bonds

The City has also issued bonds where the revenues and assets of the issuing fund are pledged as security for the bonds. During the fiscal year ended June 30, 2001, the City issued refunding water revenue bonds, series 2001, of \$8,760,000 with an average interest rate of 4.25% for the purpose of refunding a portion of the 1995A water bonds with an outstanding balance of \$8,010,000. The proceeds of the new issue were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments for the refunded bonds. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the City's financial statements.

The reacquisition price exceeded the net carrying amount of the old debt by \$750,000. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is shorter than the life of the new debt issued. The advance refunding was taken to reduce total debt service payments over the next 20 years and resulted in an economic loss of \$196,144.

In addition, the City issued Series 2000 Golf Course Capital Appreciation bonds totaling \$899,552 for the purpose of completing the construction of a new clubhouse at Sunbrook Golf Club as well as various capital improvements to other courses. No debt service is

due on the bonds until beginning April 1, 2007 and continuing thru April 1, 2009, with the payments including both principal and all accrued interest to that date.

In addition, the City Municipal Building Authority issued \$350,000 Taxable Lease Revenue Bonds for sale to the Utah State Community Impact Board. The bonds are being used along with a capital grant from the Impact Board and contributions from the Washington County School District for the remodeling of the historic Woodward School building.

Revenue bonds outstanding at June 30, 2001 by issue are as follows: (in thousands)

<u>Bond Descrip.</u>	<u>Original Issue</u>	<u>Annual principal</u>	<u>Interest rates</u>	<u>Final Due Date</u>	<u>Amount</u>
1998A MBA	\$6,270	\$155 to \$505	3.6% to 4.7%	9/1/17	\$ 5,575
1998A MBA Holt	400	\$33 to \$53	7%	10/1/08	339
1999 MBACrosby	2,250	\$174 to \$299	7%	7/15/09	2,087
2000 Woodward	<u>350</u>	\$13 to \$23	2.5%	4/1/21	<u>350</u>
Total Municipal Bldg	<u>9,270</u>				<u>8,351</u>
1987B Water	\$1,274	due 1/1/13	0.00%		\$1,274
1993 Water	18,525	\$645 to \$1,330	5.0% to 5.4%	6/1/16	14,220
1995A Water	12,000	\$355 to \$460	4.7% to 5.3%	6/1/07	2,420
2001 Water	<u>8,670</u>	\$90 to \$1,650	3.25% to 5%	6/1/20	<u>8,670</u>
Total Water Utility	<u>40,469</u>				<u>26,584</u>
1988A Sewer	\$1,450	\$72 to \$73	0.00%	6/15/08	\$ 508
1988B Sewer	130	due 6/15/08	0.00%	6/15/08	129
1993 Sewer	7,180	\$720 to \$880	5.25% to 5.5%	6/15/07	4,835
1993B Sewer	4,000	\$182 to \$275	3.5%	6/15/14	2,931
1997A Sewer	14,280	\$590 to \$1215	4.45% to 5.38%	6/15/17	13,715
1997B Sewer	12,000	\$826 to \$1172	1.0%	6/15/12	10,858
1997C Sewer	<u>44</u>	due 6/15/17	0.00%	6/15/17	<u>44</u>
Total Wastewater Treatment	<u>39,084</u>				<u>33,020</u>
1994 Golf Course	\$ 4,158	\$356 to \$465	4.95% to 5.5%	4/1/06	\$ 2,090
2000 Golf Course	<u>900</u>	\$282 to \$318	6.0%	4/1/09	<u>900</u>
Total Golf Course	<u>5,058</u>				<u>2,990</u>
Total Business-type activities	<u>\$93,881</u>				<u>\$70,945</u>

Revenue bond debt service requirements to maturity are as follows: (in thousands)

<u>Year Ended</u> <u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2002	\$ 4,392	\$ 2,849	\$ 7,241
2003	4,598	2,681	7,279
2004	4,814	2,499	7,313
2005	5,126	2,307	7,433
2006	5,088	2,106	7,194
2007-2011	22,684	8,410	31,094
2012-2016	19,029	3,903	22,932
2017-2021	<u>5,214</u>	<u>578</u>	<u>5,792</u>
Totals	<u>\$70,945</u>	<u>\$25,333</u>	<u>\$96,278</u>

In prior years, the City defeased certain outstanding bonds by placing the proceeds of the new bonds in irrevocable trusts to provide for all future debt service payments on the old bonds. Accordingly, the trust accounts and the defeased bonds are not included in the City's financial statements. At June 30, 2001, the following outstanding bonds are considered defeased:

1986A Water Revenue Bonds	\$6,195,000
1986B Water Revenue Bonds	5,170,000
1991 Water Revenue Bonds	5,670,000
1995A Water Revenue Bonds	8,010,000
1987A Subordinated Water bonds	1,785,000
1996A Municipal Building Authority bonds	2,829,000
1996B Municipal Building Authority bonds	2,042,000
1996C Municipal Building Authority bonds	1,066,000

Changes in long-term liabilities

Long-term liability activity for the year ended June 30, 2001 was as follows: (in thousands)

	<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending</u> <u>Balance</u>	<u>Due in</u> <u>OneYr</u>
Governmental activities:					
Bonds payable:					
G.O. Bonds	\$17,640	\$ -	\$ (60)	\$17,580	\$ 60
RDA Bonds	959	-	(165)	794	171
Excise Bonds	2,960	-	(365)	2,595	385
Special assessment					
debt with governmental					
commitment	<u>4,573</u>	-	<u>(1,212)</u>	<u>3,361</u>	<u>562</u>
Total bonds payable	26,132	-	(1,802)	24,330	1,178

Notes payable	75	-	(25)	50	25
Leases payable	177	-	(54)	123	57
WCIA Lease	6,126	-	(25)	6,101	408
Vacation payable	<u>495</u>	<u>31</u>	<u>-</u>	<u>526</u>	<u>-</u>
Governmental activity long-term liabilities	<u>\$33,005</u>	<u>\$31</u>	<u>\$(1,906)</u>	<u>\$31,130</u>	<u>\$1,668</u>

Business-type activities:

Bonds payable:					
Revenue bonds	\$73,177	\$10,010	\$(12,242)	\$70,945	4,379
Capital leases	<u>571</u>	<u>-</u>	<u>(86)</u>	<u>485</u>	<u>111</u>
Total business-type long-term liabilities	<u>\$73,748</u>	<u>\$10,010</u>	<u>\$(12,328)</u>	<u>\$71,430</u>	<u>\$4,490</u>

G. Leases payable

The City has entered into a lease agreement as lessee for financing the acquisition of metron water meters for the water utility. This lease agreement qualifies as a capital lease for accounting purposes (title transfers at the end of the lease terms for a nominal \$1 payment) and, therefore, has been recorded at the present value of the future minimum lease payments as of the date of inception and is being depreciated in the water utility fund. The value of the meters is \$650,721. At June 30, 2001, \$26,029 in depreciation has been taken against them.

The following is a schedule of future minimum lease payments under such capital lease, and the present value of net minimum lease payments at June 30, 2001.

<u>Fiscal year ended</u>	<u>Business-type activity</u>
June 30, 2002	\$110,872
June 30, 2003	110,872
June 30, 2004	110,872
June 30, 2005	110,872
June 30, 2006	<u>110,872</u>
	554,360
Less amount representing interest	<u>(69,529)</u>
Present value of lease payments	<u>\$484,831</u>

The City has entered into lease agreements as lessee for financing the acquisition of a postage meter, street sweeper and a vector truck for the general fund. These lease agreements qualify as a capital lease for accounting purposes (title transfers at the end of the lease term for nominal \$1 payment) and, therefore, has been recorded at the present value of the future minimum lease payments as of the date of inception.

The following is a schedule of future minimum lease payments under such capital leases, and the present value of net minimum lease payments at June 30, 2001. The value of the postage meter is \$23,760, the street sweeper is \$117,403 and the vactor is valued at \$208,172.

<u>Fiscal year ended</u>	<u>Vactor</u>	<u>Sweeper</u>	<u>Postage Meter</u>	<u>Total governmental activities</u>
June 30, 2002	\$37,510	\$19,084	\$6,024	\$62,618
June 30, 2003	37,510	19,084	6,024	62,618
June 30, 2004	-	-	6,024	6,024
	<u>75,020</u>	<u>38,168</u>	<u>18,072</u>	<u>131,260</u>
Less amount representing interest	<u>(5,705)</u>	<u>(2,728)</u>	<u>(252)</u>	<u>(8,685)</u>
Present value of lease payments	<u>\$69,315</u>	<u>\$35,440</u>	<u>\$17,820</u>	<u>\$122,575</u>

Washington County/St. George City Interlocal Agency

The Washington County/St. George City Interlocal Agency (the Agency) or WCIA was formed on January 6, 1997 by Washington County and St. George City pursuant to the Utah Interlocal Co-operation Act, Title 11, Chapter 13, Utah Code Annotated 1953, as amended. The Agency's purpose is to provide for the acquisition, construction, equipping and operation and maintenance of recreational, tourist, cultural and convention facilities. The interlocal agreement terminates after 30 years or such later date upon which all bonds of the Agency and other contractual obligations have been retired, but in no event later than 50 years after January 6, 1997.

The Agency's governing board consists of five members, two appointed by the Board of Washington County commissioners, two members appointed by the St. George City council and one member elected by the four Agency board members. Each member is entitled to one vote; however, budgeting and financing is not effective until approved by the Board of Commissioners and City Council. The Agency is considered a joint building or finance authority, as per GASB's Codification, Section J50.109. The Agency's separate financial statements are available by calling 435-628-7003.

The City subleases an undivided 38% interest in the convention center facilities from Washington County, which has a master lease for rental of the facilities owned by the Agency. The County will make base lease payments to the Agency equal to the Agency's bond payments over a period of 25 years. The County will receive from the City sublease payments totaling \$10,179,096 over the 25 year period with annual payments ranging from \$304,057 to \$578,188.

The Agency's right and interest in the facilities will be transferred to Washington County and St. George City upon payment by the County and the City of the then applicable

purchase option price, or all the base rentals, or upon discharge of the lien on the Indenture.

The lease is considered a capital lease based on GASB's Codification, Section L.20.119-122 and FASB's Statement 13. The following is an annual schedule of future minimum lease payments and St. George City's sublease payments:

<u>Fiscal year ended</u>	<u>Debt Service</u>
June 30, 2002	\$ 408,441
June 30, 2003	437,274
June 30, 2004	474,233
June 30, 2005	484,553
Thereafter	<u>7,527,287</u>
Total remaining minimum lease payments	\$9,331,788
Less amount representing interest	<u>(3,230,788)</u>
Present value of net remaining minimum lease payments	<u>\$6,101,000</u>

For the fiscal year ended June 30, 2001 expenditures were lease payments for O&M of \$219,663 and debt service payments of \$303,146.

H. Segment information

The City issued revenue bonds to finance the purchase of the Sunbrook Golf Course and also for the construction of the Sunbrook Golf Course clubhouse. Investors in the revenue bonds rely solely on the revenue generated by the golf courses for repayment of principal and interest on the bonds. Summary financial information for the golf courses is presented below.

CONDENSED STATEMENT OF NET ASSETS

Assets:

Cash and investments (deficit)	\$ (176,172)
Other assets (deferred bond costs)	49,995
Capital assets	\$14,719,477
Less depreciation	<u>(2,685,636)</u>
Total assets	<u>12,033,841</u>
	<u>11,907,664</u>

Liabilities:

Accrued liabilities	169,499
Due to other funds	1,306,223
Noncurrent liabilities	<u>2,989,552</u>
Total liabilities	<u>4,465,274</u>

Net assets:

Invested in capital assets net of related debt	9,044,289
Restricted	155,821
Unrestricted	<u>(1,757,720)</u>
Total net assets	<u>\$7,442,390</u>

**CONDENSED STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN NET ASSETS**

Golf course charges	\$3,992,466
Depreciation expense	(295,784)
Other operating expenses	<u>(3,404,580)</u>
Operating income	<u>292,101</u>
Nonoperating revenues (expenses)	
Interest income	42,996
Rental income	6,218
Miscellaneous income	63,568
Interest expense	(264,273)
Capital contributions	<u>249,900</u>
Change in net assets	390,510
Beginning net assets	<u>7,051,880</u>
Ending net assets	<u>\$7,442,390</u>

CONDENSED STATEMENT OF CASH FLOWS

Net cash provided by (used) by:	
Operating activities	\$ 590,309
Noncapital financing activities	319,686
Capital and related financing activities	(1,425,587)
Investing activities	<u>42,996</u>
Net increase (decrease)	(472,596)
Beginning cash & cash equivalents	<u>296,424</u>
Ending cash & cash equivalents (deficit)	<u>\$(176,172)</u>

V. Other information

A. Risk management

The City, effective July 1, 1991, is self-insured up to \$50,000 for general liability, law enforcement liability, and auto liability with excess insurance up to \$10,000,000. Property is covered by a blanket all risk policy with limits of up to \$83,687,846. Royal and SunAlliance administers the insurance policies above what the City provides as self-

insurance.

B. Contingent liabilities

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable fund. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City's counsel the resolution of these matters will not have a material adverse effect on the financial condition of the City. A contingent liability of less than \$250,000 is estimated to be possible.

C. Jointly governed organization

The City, in conjunction with 38 other governmental entities that provide for the purchase and transmission of electrical services, created the Utah Association of Municipal Power System (UAMPS). UAMPS owns interest in various power generation entities as well as coordinating the purchase of additional power on the open spot-market. The UAMPS board is comprised of one member from each participating entity (dependent on the particular projects which an entity elects to participate in). Except for minimum purchase requirements, no participant has any obligation, entitlement, or residual interest. The City's electrical utility fund purchased power totaling \$28,264,928 during the fiscal year ended June 30, 2001.

D. Conduit debt obligations

From time to time, the City has issued Industrial Revenue Bonds (IRBs) to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the City, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of June 30, 2001, there had been twenty-one series of Industrial Revenue Bonds issued. The aggregate principal amount payable could not be determined; however, their original issue amounts totaled \$52.8 million.

E. Commitments/subsequent events

1) The City has entered into an agreement with Washington County School District for the possible additional purchase of property from the district. The agreements are subject to appropriation of the needed funds in the applicable years of purchase. The terms of the agreement are as follows:

A) On or before July 31, 2003, the City will make a payment of \$400,000 to the school district. At such time, the school district shall convey to the City by warranty deed marketable fee simple title a total of .717 acres within Lot 4, block 16, Plat "A", of the St. George City survey.

B) On or before July 31, 2007, the City will make a payment of \$818,300 to the school district. At such time, the school district shall convey to the City by warranty deed marketable fee simple title a total of 2.42 acres within Block 17, Plat "A", of the St. George City survey.

2) Subsequent to year-end the City settled a pending claim against the City for a superfund site cleanup with the U.S. Environmental Protection Agency. A payment of \$115,412 was made to the EPA in settlement of this case and no future liability exists to the City in legal counsel's opinion.

F. Uses of impact fees

The City collects on each building permit issued, various impact fees restricted as to their use. In order to comply with legislation passed by the Utah State legislature, the following disclosures are made as to the revenues collected and disbursements made for the various fees.

1) Park Impact Capital Projects Fund			
Revenues: Impact fees collected		\$829,610	
Interest income		<u>62,056</u>	
Total revenues			\$891,666
Expenditures:			
Professional fees		394	
Capital outlay		<u>224,100</u>	
Total expenditures			<u>(224,494)</u>
Increase in fund balance			667,172
Beginning fund balance			<u>733,771</u>
Ending fund balance			<u>\$1,400,943</u>

2) Street Impact Capital Projects Fund			
Revenues: Impact fees collected	\$587,940		
Interest income	<u>630</u>		
Total revenues			\$588,570

Expenditures:			
Professional fees	394		
Capital transfer	<u>600,000</u>		
Total expenditures			<u>(600,394)</u>
Decrease in fund balance			(11,824)
Beginning fund balance			<u>(101,928)</u>
Ending fund balance			<u>\$ (113,752)</u>

3) Drainage Impact Capital Projects Fund			
Revenues: Impact fees collected	\$553,615		
Interest income	<u>57,398</u>		
Total revenues			\$611,013

Expenditures:			
Professional fees	4,289		
Capital transfers	970,000		
Capital outlay	<u>203,451</u>		
Total expenditures			<u>(1,177,740)</u>
Decrease in fund balance			(566,727)
Beginning fund balance			<u>1,273,057</u>
Ending fund balance			<u>\$ 706,330</u>

4) Fire Department Impact Capital Projects Fund			
Revenues: Impact fees collected	\$193,967		
Interest income	<u>23,659</u>		
Total revenues			\$217,626
Expenditures:			
Professional fees	394		
Capital outlay	<u>96,711</u>		
Total expenditures			<u>(97,105)</u>
Increase in fund balance			120,521
Beginning fund balance			<u>363,289</u>
Ending fund balance			<u>\$ 483,810</u>

5) Police Department Impact Capital Projects Fund

Revenues: Impact fees collected	\$ 85,616	
Interest income	<u>1,050</u>	
Total revenues		\$ 86,666
Expenditures:		
Professional fees	394	
Lease payments	<u>39,500</u>	
Total expenditures		(39,894)
Increase in fund balance		46,771
Beginning fund balance		(7,402)
Ending fund balance		<u>\$ 39,369</u>

6) Water Utility Enterprise Fund

Revenues: Impact fees collected	\$1,273,460	
Interest income	<u>-</u>	
Total revenues		\$1,273,460
Expenditures:		
1995A Bond debt service	\$ 943,840	
Capital outlay	<u>3,051,440</u>	
Total expenditures		(3,995,280)
Decrease in fund balance		(2,721,820)
Beginning fund balance		(7,600,192)
Ending fund balance		<u>\$(10,322,012)</u>

7) Wastewater Collection Enterprise Fund

Revenues: Impact fees collected	\$241,495	
Interest income	<u>-</u>	
Total revenues		\$241,495
Expenditures:		
Capital outlay	<u>\$310,060</u>	
Total expenditures		(310,660)
Decrease in fund balance		(68,565)
Beginning fund balance		(63,417)
Ending fund balance		<u>\$ (131,982)</u>

8) Electric Utility Enterprise Fund			
Revenues: Impact fees collected	\$1,250,215		
Interest income	<u>-</u>		
Total revenues			\$1,250,215
Expenditures:			
Capital outlay	\$ 743,055		
Total expenditures			<u>(743,055)</u>
Increase in fund balance			507,160
Beginning fund balance			<u>(3,124,839)</u>
Ending fund balance			<u><u>\$ (2,617,679)</u></u>
9) Wastewater Treatment Enterprise Fund			
Revenues: Impact fees collected	\$1,112,969		
Interest income	<u>-</u>		
Total revenues			\$1,112,969
Expenditures:			
Debt service	\$3,527,340		
Capital outlay	<u>-</u>		
Total expenditures			<u>(3,527,340)</u>
Increase in fund balance			(2,414,371)
Beginning fund balance			<u>(3,569,735)</u>
Ending fund balance			<u><u>\$ (5,984,106)</u></u>

G. Downtown Redevelopment Fund required disclosures

In accordance with Section 17A-2-12117(3), the City's redevelopment agency (a component unit which is included as a capital project fund in this financial report) is required to disclose the following information:

- 1) The tax increment collected by the agency for each project area.
 - A) The Downtown Redevelopment agency for the City is one project area. The total tax increment collected was \$587,000.
- 2) The amount of tax increment paid to any taxing agency pursuant to Section 17A-2-1258.
 - A) No amounts were paid to others.
- 3) The outstanding principal of bonds and other loans incurred to finance projects in the area.
 - A) 1995A Serial bonds \$432,000
 - B) 1995B Serial bonds \$362,000

- 4) The actual amount expended for:
- A) acquisition of property \$0
 - B) site improvements or preparation costs \$28,309
 - C) installation of public utilities or other public improvements \$0
 - D) administrative costs of the agency \$10,774

H. Employee retirement systems and pension plans

Defined Benefit Pension Plan

The City of St. George contributes to the Local Government Contributory Retirement System and Local Governmental Noncontributory Retirement System, Public Safety Retirement System for employers with Social Security coverage, Firefighters Retirement System which are for employers with Social Security coverage; all of which are cost-sharing multiple-employer defined benefit pension plans administered by the Utah Retirement Systems (Systems). Utah Retirement Systems provide refunds, retirement benefits, annual cost of living allowances and death benefits to plan members and beneficiaries in accordance with retirement statutes established and amended by the state legislature.

The Systems are established and governed by the respective sections of Chapter 49 of the Utah Code Annotated 1953 as amended. The Utah State Retirement Office Act in Chapter 49 provides for the administration of the Utah Retirement Systems and Plans under the direction of the Utah State Retirement Board (Board) whose members are appointed by the Governor. The Systems issue a publicly available financial report that includes financial statements and required supplementary information for the Local Governmental Contributory Retirement System, Local Governmental Noncontributory Retirement System, Public Safety Retirement System for employers with Social Security coverage, and Firefighters Retirement System which are for employers with Social Security coverage. A copy of the report may be obtained by writing to the Utah Retirement Systems, 540 East 200 S, Salt Lake City, UT 84102 or by calling 1-800-365-8772.

Funding Policy: Plan members are required to contribute a percent of their covered salary (all or part may be paid by the employer) to the respective systems to which they belong; 6.0% to the Contributory and 10.20% to the Firefighter's Retirement Systems respectively. The City of St. George is required to contribute a percent of covered salary to the respective systems, 6.31% to the Contributory, 10.32% to the Noncontributory, and 17.4% to the Public Safety Noncontributory. The contribution rates are the actuarially determined rates and are approved by the Board as authorized by Chapter 49.

The City of St. George contributions to the various systems for the years ending June 30, 2001, 2000, and 1999 respectively were; for the Contributory System, \$42,935, \$46,329,

and \$46,795; for the Noncontributory System, \$955,695, \$939,572, and \$917,150; for the Public Safety Noncontributory, \$420,211, \$417,373, and \$378,060; and for the Firefighters System, \$30,484, \$36,489, and \$30,875 respectively. The contributions were equal to the required contributions for each year.

Defined Contribution Plan

The City also provides pension benefits for all its full-time employees through a defined contribution plan administered by ICMA Retirement Corporation. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate from the date of employment.

The contribution rates established by the City Council are 3.74% for non-exempt employees covered by the Contributory, 5.73% for non-exempt employees covered by the Non-contributory systems of the State Systems referred to above and 16.05% for department heads exempt from the State Systems. The contributions to the plan totaled \$617,531 which represents all required contributions. Because it is a defined contribution plan, all amounts are vested and there is no unfunded liability.

Deferred Compensation Plan

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code 457. The plan, available to all full-time City employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional. The deferred compensation is not available to employees until termination, retirement, death or an unforeseeable emergency. The City of St. George has adopted Governmental Accounting Standards Board Statement 32 (GASB No. 32), "Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans". This has resulted in the reporting of the 457 Plans as a "Trust Fund" rather than previously as an "Agency Fund". Now all of the assets and income of the 457 Plan are held in trust for the exclusive benefit of the participants or their beneficiaries rather than the assets of the City. The plan is invested with and administered by the Utah State Retirement Systems and the ICMA.

THIS PAGE LEFT BLANK INTENTIONALLY

City of St. George, UT
Non-Major Governmental Funds
Combining Balance Sheet
June 30, 2001

	Special Revenue Funds				Debt Service Funds	
	<u>Innkeeper Tax</u>	<u>Airport PFC Fees</u>	<u>Economic Development</u>	<u>Transportation Improvement</u>	<u>Recreation Bonds</u>	<u>Special Assessments</u>
Assets						
Cash and investments	\$ (5,107)	\$ 299,033	\$ 582,770	\$ 3,526,758	\$ 284,792	\$ 403,245
Receivables:						
Accounts	69,888		1,021,967	457,434	-	3,210,271
Advances to other funds	-	-	-	-	-	512,324
Total assets	\$ 64,781	\$ 299,033	\$ 1,604,737	\$ 3,984,193	\$ 284,792	\$ 4,125,840
Liabilities and Fund Balances						
Liabilities:						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred revenues	-	-	-	-	-	1,836,729
Advances from other funds	-	-	-	-	-	-
Total liabilities	-	-	-	-	-	1,836,729
Fund balances:						
Reserved, reported in:						
Special revenue funds	64,781	299,033	1,604,737	3,984,193	-	-
Debt service funds	-	-	-	-	284,792	2,289,111
Capital project funds	-	-	-	-	-	-
Total fund balances	64,781	299,033	1,604,737	3,984,193	284,792	2,289,111
Total liabilities and fund balances	\$ 64,781	\$ 299,033	\$ 1,604,737	\$ 3,984,193	\$ 284,792	\$ 4,125,840

City of St. George, UT
Non-Major Governmental Funds
Combining Balance Sheet
June 30, 2001
 (continued)

Capital Projects Funds											
Assets	Capital Equipment	Downtown RDA	Park Impact	Street Impact	Special						Totals
					Assessment	Drainage Impact	Fire Dept Impact	Police Impact	Streets Bond	Recreation Bonds	Public Works Capital Proj.
Cash and investments	\$ 8,798,361	\$ 617,115	\$ 1,400,943	\$ (156,752)	\$ (1,461,355)	\$ 706,329	\$ 483,809	\$ 39,369	\$ (64,538)	\$ 2,863,778	\$ 7,214,748
Receivables:											\$ 25,533,299
Accounts	-	-	-	43,000	-	-	-	-	-	-	-
Advances to other funds	-	-	-	-	-	-	-	-	-	-	4,802,561
Total assets	\$ 8,798,361	\$ 617,115	\$ 1,400,943	\$ (113,752)	\$ (1,461,355)	\$ 706,329	\$ 483,809	\$ 39,369	\$ (64,538)	\$ 2,863,778	\$ 30,848,184
Liabilities and Fund Balances											
Liabilities:											
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,019
Deferred revenues	-	-	-	-	-	-	-	-	-	-	1,836,729
Advances from other funds	-	-	-	-	-	-	-	-	-	-	-
Total liabilities	-	-	-	-	-	-	-	-	-	-	10,019
Fund balances:											
Reserved, reported in:											
Special revenue funds	-	-	-	-	-	-	-	-	-	-	5,952,743
Debt service funds	-	-	-	-	-	-	-	-	-	-	2,573,903
Capital project funds	8,798,361	617,115	1,400,943	(113,752)	(1,461,355)	706,329	483,809	39,369	(64,538)	2,863,778	7,204,729
Total fund balances	8,798,361	617,115	1,400,943	(113,752)	(1,461,355)	706,329	483,809	39,369	(64,538)	2,863,778	29,001,436
Total liabilities and fund balances	\$ 8,798,361	\$ 617,115	\$ 1,400,943	\$ (113,752)	\$ (1,461,355)	\$ 706,329	\$ 483,809	\$ 39,369	\$ (64,538)	\$ 2,863,778	\$ 30,848,184

CITY OF ST. GEORGE, UT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2001

	Special Revenue Funds			Debt Service Funds		
	Innkeeper Tax	Alrport PFC Fees	Economic Development	Transportation Improvement	Recreation Bonds	Special Assessments
Revenues:						
Taxes	\$ 238,363	\$ 122,125	\$ -	\$ 2,435,728	\$ 1,025,536	\$ -
Assessments	-	-	-	-	-	487,025
Intergovernmental	-	-	-	-	-	-
Investment income	6,123	13,691	67,205	149,340	1,932	452,583
Capital development fees	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total revenues	244,486	135,817	67,205	2,585,067	1,027,468	939,608
Expenditures:						
Current:						
General government	394	1,613	394	394	1,194	7,730
Public Safety						
Highways & improvements						
Parks, recreation etc						
Community & Econ Development						
Lease payments	219,663					
Debt service:						
Principal on long-term debt	24,704				60,000	1,212,453
Interest on long-term debt	278,442		400,752	116,827	963,535	279,912
Capital outlay:						
Total expenditures	523,203	1,613	401,146	117,221	1,024,728	1,500,094
Excess (deficiency) of revenues over expenditures	(278,718)	134,204	(333,942)	2,467,846	2,738	(560,486)
Other financing sources (uses):						
Transfers in	65,000	-	-	-	-	-
Transfers out	-	-	(65,000)	(500,000)	-	-
Notes payable	-	-	-	-	-	-
Total other financing sources (uses)	65,000	-	(65,000)	(500,000)	-	-
Net change in fund balances	(213,718)	134,204	(398,942)	1,967,846	2,738	(560,486)
Fund balances, beginning of year	278,499	164,829	2,003,679	2,016,347	282,054	2,849,597
Fund balances, end of year	\$64,781	\$299,033	\$1,604,737	\$3,984,193	\$284,792	\$2,289,111

CITY OF ST. GEORGE, UT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2001
(continued)

	Capital Projects Funds										Total
	Capital Equipment	Downtown RDA	Park Impact	Street Impact	Assessment Constructn	Drainage Impact	Fire Dept Impact	Police Impact	Streets Bond	Recreation Bonds	Public Works Capital Proj.
Revenues:											
Taxes	\$ -	\$ 587,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Assessments	-	-	-	-	-	-	-	-	-	-	\$ 4,408,752
Intergovernmental	-	-	-	-	-	-	-	-	-	-	487,025
Investment income	-	37,724	62,056	630	-	57,398	23,659	1,050	66,655	49,363	49,363
Capital development fees	-	-	829,610	587,940	-	553,615	193,967	85,616	-	217,650	241,668
Other	540,504	-	-	-	-	-	-	-	-	68,852	2,250,748
											609,356
Total revenues	540,504	624,724	891,666	588,570	-	811,013	217,626	86,666	66,655	335,865	241,668
Expenditures:											
Current:											
General government	394	10,774	394	394	2,194	4,289	394	394	15,146	34,906	81,001
Public Safety	-	-	-	-	-	-	-	-	-	-	-
Highways & improvements	-	-	-	-	-	-	-	-	-	-	-
Parks, recreation etc	-	-	-	-	-	-	-	-	-	-	-
Community & Econ Developmnt	-	-	-	-	-	-	-	-	-	-	-
Lease payments	-	198,388	-	-	-	-	-	-	-	-	-
Debt service:	-	-	-	-	-	-	-	39,500	-	-	457,551
Principal on long-term debt	-	190,000	-	-	-	-	-	-	-	-	1,487,157
Interest on long-term debt	-	52,400	-	-	-	-	-	-	-	-	1,574,288
Capital outlay:	808,933	28,309	224,100	-	1,311,529	203,451	96,712	-	138,282	1,598,807	5,525,041
Total expenditures	809,327	479,870	224,494	394	1,313,723	207,740	97,106	39,894	153,429	1,633,713	597,339
											9,125,039
Excess (deficiency) of revenues over expenditures	(268,823)	144,854	667,172	588,176	(1,313,723)	403,272	120,520	46,771	(86,774)	(1,297,848)	(355,871)
Other financing sources (uses):											
Transfers in	2,381,841	-	-	-	-	-	-	-	-	-	7,560,400
Transfers out	(4,917,596)	-	-	(600,000)	-	(970,000)	-	-	(732,804)	-	(7,785,400)
Notes payable	-	-	-	-	-	-	-	-	-	20,000	20,000
Total other financing sources (uses)	(2,535,755)	-	-	(600,000)	-	(970,000)	-	-	(732,804)	20,000	2,241,841
Net change in fund balances	(2,804,578)	144,854	667,172	(11,824)	(1,313,723)	(566,728)	120,520	46,771	(819,578)	(1,277,848)	7,204,729
											2,321,410
Fund balances, beginning of year	11,602,939	472,261	733,771	(101,928)	(147,632)	1,273,057	363,289	(7,402)	755,040	4,141,826	-
											26,680,026
Fund balances, end of year	\$8,798,361	\$617,115	\$1,400,943	(\$113,752)	(\$1,461,355)	\$706,329	\$483,809	\$39,369	(\$64,538)	\$2,863,778	\$7,204,729
											\$29,001,436

CITY OF ST. GEORGE, UT
 INNKEEPER BUSINESS LICENSE FEE - SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2001

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES:				
Business license innkeeper fees	\$ 220,000	\$ 220,000	\$ 238,363	\$ 18,363
Interest income	20,000	20,000	6,123	(13,877)
Total revenues	240,000	240,000	244,486	4,486
EXPENDITURES:				
Current:				
General government	2,000	2,000	394	1,606
Rental payments	200,000	200,000	219,663	(19,663)
Debt service:				
Principal	70,000	70,000	24,704	45,296
Interest	287,599	287,599	278,442	9,157
Total expenditures	559,599	559,599	523,203	36,396
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES				
	(319,599)	(319,599)	(278,718)	40,881
OTHER FINANCING SOURCES (USES):				
Transfers from other funds	-	-	65,000	65,000
Total other financing sources(uses)	-	-	65,000	65,000
EXCESS OF REVENUES OVER EXPENDITURES & OTHER FINANCING SOURCES (USES):				
	(319,599)	(319,599)	(213,718)	\$ 105,881
Fund balance at beginning of year	278,499	278,499	278,499	
Fund balance at end of year	\$ (41,100)	\$ (41,100)	\$ 64,781	

CITY OF ST. GEORGE, UT
AIRPORT PFC FEES - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2001

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES:				
Passenger facility charges	\$ 90,000	\$ 91,500	\$ 122,125	\$ 30,625
Interest income	10,000	10,000	13,691	3,691
Total revenues	100,000	101,500	135,817	34,317
EXPENDITURES:				
Current:				
General government				
Capital projects:	500	2,000	1,613	387
Improvements				
Property purchases				
Debt service:				
Bond principal				
Bond interest				
Total expenditures	500	2,000	1,613	387
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	99,500	99,500	134,204	34,704
Fund balance at beginning of year	164,829	164,829	164,829	
Fund balance at end of year	\$ 264,329	\$ 264,329	\$ 299,033	

CITY OF ST. GEORGE, UT
ECONOMIC DEVELOPMENT - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2001

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES:				
Interest income	\$ 100,000	\$ 100,000	\$ 67,205	\$ (32,795)
Total revenues	100,000	100,000	67,205	(32,795)
EXPENDITURES:				
Current:				
General government	500	500	394	106
Capital projects:				
Property purchases	-	401,000	400,752	248
Total expenditures	500	401,500	401,146	354
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	99,500	(301,500)	(333,942)	(32,442)
OTHER FINANCING SOURCES (USES):				
Transfers to other funds	(320,500)	(385,500)	(65,000)	320,500
Total other financing sources(uses)	(320,500)	(385,500)	(65,000)	320,500
EXCESS OF REVENUES OVER EXPENDITURES & OTHER FINANCING SOURCES (USES):	(221,000)	(687,000)	(398,942)	288,058
Fund balance at beginning of year	2,003,679	2,003,679	2,003,679	
Fund balance at end of year	\$ 1,782,679	\$ 1,316,679	\$ 1,604,737	

CITY OF ST. GEORGE, UT
TRANSPORTATION IMPROVEMENT - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2001

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES:				
Highway sales taxes	\$ 2,300,000	\$ 2,300,000	\$ 2,435,728	\$ 135,728
Interest income	75,000	75,000	149,340	74,340
Total revenues	2,375,000	2,375,000	2,585,067	210,067
EXPENDITURES:				
Current:				
General government	-	-	394	(394)
Capital projects:				
Improvements	3,350,000	3,500,000	116,827	3,383,173
Total expenditures	3,350,000	3,500,000	117,221	3,382,779
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(975,000)	(1,125,000)	2,467,846	3,592,846
OTHER FINANCING SOURCES (USES):				
Transfers to other funds	(500,000)	(500,000)	(500,000)	-
Appropriated fund balance	-	150,000	-	(150,000)
Total other financing sources(uses)	(500,000)	(350,000)	(500,000)	(150,000)
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES):	(1,475,000)	(1,475,000)	1,967,846	3,442,846
Fund balance at beginning of year	2,016,347	2,016,347	2,016,347	
Fund balance at end of year	\$ 541,347	\$ 541,347	\$ 3,984,193	

CITY OF ST. GEORGE, UT
RECREATION G.O. BONDS - DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2001

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES:				
Current property taxes	\$ 1,025,536	\$ 1,025,536	\$ 1,025,536	\$ -
Interest income	-	-	1,932	1,932
Total revenues	1,025,536	1,025,536	1,027,468	1,932
EXPENDITURES:				
Debt service:				
Principal	60,000	60,000	60,000	-
Interest & other charges	965,536	965,536	964,729	807
Total expenditures	1,025,536	1,025,536	1,024,729	807
Excess (deficiency) of revenues over (under) expenditures	-	-	2,738	2,738
Fund balance at beginning of year	282,054	282,054	282,054	
Fund balance at end of year	\$ 282,054	\$ 282,054	\$ 284,792	

CITY OF ST. GEORGE, UT
SPECIAL ASSESSMENTS - DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2001

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES:				
Special assessments collected	\$ 1,212,000	\$ 1,212,000	\$ 487,025	\$ (724,975)
Interest income	282,100	287,700	452,583	164,883
Total revenues	1,494,100	1,499,700	939,608	(560,092)
EXPENDITURES:				
Debt service:				
Principal	1,212,000	1,212,000	1,212,453	(453)
Interest & other charges	287,100	292,700	287,642	5,058
Total expenditures	1,499,100	1,504,700	1,500,094	4,606
Excess (deficiency) of revenues over (under) expenditures	(5,000)	(5,000)	(560,486)	(555,486)
Fund balance at beginning of year	2,849,597	2,849,597	2,849,597	
Fund balance at end of year	\$ 2,844,597	\$ 2,844,597	\$ 2,289,111	

CITY OF ST. GEORGE, UTAH

CAPITAL EQUIPMENT - CAPITAL PROJECT FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES:				
Intergovernmental	\$ -	\$ -	\$ -	-
Property sales	-	-	-	-
Sundry revenues			540,504	540,504
Total revenues	-	-	540,504	540,504
EXPENDITURES:				
Current:				
General government			394	(394)
Capital projects:				
Improvements	4,701,000	150,000		150,000
Property purchases	-	800,000	808,932	(8,932)
Total expenditures	4,701,000	950,000	809,326	140,674
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(4,701,000)	(950,000)	(268,822)	681,178
OTHER FINANCING SOURCES (USES):				
Operating transfers in	3,306,439	1,128,635	2,381,841	1,253,206
Transfers to other funds	-	(4,917,596)	(4,917,596)	
Appropriated fund balance	-	5,867,596	-	(5,867,596)
Total other financing sources (uses)	3,306,439	2,078,635	(2,535,755)	(4,614,390)
EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	(1,394,561)	1,128,635	(2,804,578)	(3,933,213)
Fund balance at beginning of year	11,602,939	11,602,939	11,602,939	
Fund balance at end of year	\$10,208,378	\$12,731,574	\$8,798,361	

CITY OF ST. GEORGE, UT

DOWNTOWN REDEVELOPMENT - CAPITAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES:				
Redevelopment taxes	\$ 620,000	\$ 620,000	\$ 587,000	\$ (33,000)
Miscellaneous				
Interest income	8,788	8,788	37,724	28,936
Total revenues	628,788	628,788	624,724	(4,064)
EXPENDITURES:				
Current:				
General government	3,000	3,000	10,774	(7,774)
Capital projects:				
Improvements	10,000	10,000	28,309	(18,309)
Land purchases	200,000	200,000		200,000
Debt service:				
Bond principal	165,000	165,000	190,000	(25,000)
Interest	52,400	52,400	52,400	0
Lease payments	198,388	198,388	198,388	-
Total expenditures	628,788	628,788	479,870	148,918
EXCESS(DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	144,854	144,854
Fund balance at beginning of year	472,261	472,261	472,261	
Fund balance at end of year	\$ 472,261	\$ 472,261	\$ 617,115	

CITY OF ST. GEORGE, UTAH

PARK IMPACT - CAPITAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES:				
Charges for services	\$ 780,000	\$ 780,000	\$ 829,610	\$ 49,610
Intergovernmental				
Interest income	20,000	20,000	62,056	42,056
Total revenues	800,000	800,000	891,666	91,666
EXPENDITURES:				
Current:				
General government	1,000	1,000	394	606
Capital projects:				
Improvements	600,000	600,000	224,100	375,900
Property purchases				
Debt service:				
Principal				
Interest				
Total expenditures	601,000	601,000	224,494	376,506
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	199,000	199,000	667,172	\$ 468,172
Fund balance at beginning of year	733,771	733,771	733,771	
Fund balance at end of year	\$ 932,771	\$ 932,771	\$ 1,400,943	

CITY OF ST. GEORGE, UTAH

STREET IMPACT - CAPITAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES:				
Charges for services	\$ 525,000	\$ 525,000	\$ 587,940	\$ 62,940
Interest income	25,000	25,000	630	(24,370)
Total revenues	550,000	550,000	588,570	38,570
EXPENDITURES:				
Current:				
General government	1,000	1,000	394	606
Capital projects:				
Improvements				
Total expenditures	1,000	1,000	394	606
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	549,000	549,000	588,176	39,176
OTHER FINANCING SOURCES (USES):				
Transfer to other funds	(600,000)	(600,000)	(600,000)	-
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES):	(51,000)	(51,000)	(11,824)	39,176
Fund balance at beginning of year	(101,928)	(101,928)	(101,928)	
Fund balance at end of year	\$ (152,928)	\$ (152,928)	\$ (113,752)	

CITY OF ST. GEORGE, UTAH

SPECIAL ASSESSMENTS - CAPITAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES:				
Sundry revenues	\$ -	\$ -	\$ -	-
EXPENDITURES:				
Current				
General government			2,194	(2,194)
Capital projects:				
Improvements	5,000,000	5,000,000	1,311,529	3,688,471
Total expenditures	5,000,000	5,000,000	1,313,723	3,686,277
Excess (Deficiency) of expenditures over revenues	(5,000,000)	(5,000,000)	(1,313,723)	3,686,277
OTHER FINANCING SOURCES:				
Sale of bonds	5,000,000	5,000,000	-	(5,000,000)
EXCESS(DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	-	-	(1,313,723)	(1,313,723)
Fund balance at beginning of year	(147,632)	(147,632)	(147,632)	
Fund balance at end of year	\$ (147,632)	\$ (147,632)	\$ (1,461,355)	

CITY OF ST. GEORGE, UTAH

DRAINAGE IMPACT - CAPITAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES:				
Charges for services	\$ 350,000	\$ 452,000	\$ 553,615	\$ 101,615
Interest income	65,000	65,000	57,398	(7,602)
Total revenues	415,000	517,000	611,013	94,013
EXPENDITURES:				
Current:				
General government	500	13,500	4,289	9,211
Capital projects:				
Land purchases	-	102,000	101,070	930
Improvements	-	75,000	102,381	(27,381)
Total expenditures	500	190,500	207,740	(17,240)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	414,500	326,500	403,273	76,773
OTHER FINANCING SOURCES (USES):				
Transfers to other funds	(630,000)	(970,000)	(970,000)	-
Appropriated fund balance	-	428,000	-	428,000
Total other financing sources(uses)	(630,000)	(542,000)	(970,000)	428,000
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES):	(215,500)	(215,500)	(566,727)	(351,227)
Fund balance at beginning of year	1,273,057	1,273,057	1,273,057	
Fund balance at end of year	\$ 1,057,557	\$ 1,057,557	\$ 706,330	

CITY OF ST. GEORGE, UTAH

FIRE DEPT IMPACT - CAPITAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET	
	ORIGINAL	FINAL		POSITIVE	(NEGATIVE)
REVENUES:					
Charges for services	\$ 155,000	\$ 190,000	\$ 193,967	\$ 3,967	
Interest income	15,000	15,000	23,659	8,659	
Total revenues	170,000	205,000	217,626	12,626	
EXPENDITURES:					
Current:					
General government	400	400	394	6	
Building Construction		100,000	96,712	3,288	
Total expenditures	400	100,400	97,106	3,294	
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	169,600	104,600	120,520	15,920	
OTHER FINANCING SOURCES (USES):					
Appropriated fund balance	-	65,000	-	(65,000)	
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES):	169,600	169,600	120,520	(49,080)	
Fund balance at beginning of year	363,289	363,289	363,289		
Fund balance at end of year	\$ 532,889	\$ 532,889	\$ 483,809		

CITY OF ST. GEORGE, UTAH

POLICE DEPT IMPACT - CAPITAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	BUDGETED AMOUNTS		VARIANCE WITH	
	ORIGINAL	FINAL	ACTUAL	FINAL BUDGET
				POSITIVE (NEGATIVE)
REVENUES:				
Charges for services	\$ 47,000	\$ 47,000	\$ 85,616	\$ 38,616
Interest income	-	-	1,050	1,050
Total revenues	47,000	47,000	86,666	39,666
EXPENDITURES:				
Current:				
General government	450	450	394	56
Lease payments	39,500	39,500	39,500	-
Total expenditures	39,950	39,950	39,894	56
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	7,050	7,050	46,771	\$ 39,721
Fund balance at beginning of year	(7,402)	(7,402)	(7,402)	
Fund balance at end of year	\$ (352)	\$ (352)	\$ 39,369	

CITY OF ST. GEORGE, UTAH

STREET BOND PROJECTS - CAPITAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	BUDGETED AMOUNTS		VARIANCE WITH FINAL BUDGET	
	ORIGINAL	FINAL	ACTUAL	POSITIVE (NEGATIVE)
REVENUES:				
Interest income	\$ -	\$ -	\$ 66,655	\$ 66,655
EXPENDITURES:				
Current:				
General government	390	390	15,146	(14,756)
Capital projects:				
Improvements			138,282	(138,282)
Total expenditures	390	390	153,429	(153,039)
Excess (Deficiency) of expenditures over revenues	(390)	(390)	(86,774)	(86,384)
OTHER FINANCING SOURCES:				
Transfer to other funds	(707,804)	(732,804)	(732,804)	-
EXCESS(DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	(708,194)	(733,194)	(819,578)	(86,384)
Fund balance at beginning of year	755,040	755,040	755,040	
Fund balance at end of year	\$ 46,846	\$ 21,846	\$ (64,538)	

CITY OF ST. GEORGE, UTAH

RECREATION BOND PROJECTS - CAPITAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES:				
Intergovernmental	\$ -	\$ -	\$ 49,363	\$ 49,363
Interest income	125,000	188,000	217,650	29,650
Other income	-	-	68,852	68,852
Total revenues	125,000	188,000	335,865	147,865
EXPENDITURES:				
Current:				
General government	30,000	30,000	34,906	(4,906)
Capital projects:				
Improvements	3,708,276	3,771,276	1,515,874	2,255,402
Property purchases	50,000	50,000	82,933	(32,933)
Total expenditures	3,788,276	3,851,276	1,633,713	2,217,563
Excess (Deficiency) of expenditures over revenues	(3,663,276)	(3,663,276)	(1,297,848)	2,365,428
OTHER FINANCING SOURCES:				
Proceeds of notes payable	-	-	20,000	20,000
EXCESS(DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	(3,663,276)	(3,663,276)	(1,277,848)	2,385,428
Fund balance at beginning of year	4,141,626	4,141,626	4,141,626	
Fund balance at end of year	\$ 478,350	\$ 478,350	\$ 2,863,778	

CITY OF ST. GEORGE, UTAH

PUBLIC WORKS PROJECTS - CAPITAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES:				
Interest income	\$ -	\$ -	\$ 241,668	\$ 241,668
EXPENDITURES:				
Capital projects:				
Improvements	-	7,535,400	597,339	6,938,061
Property purchases	-	-	-	-
Total expenditures	-	7,535,400	597,339	6,938,061
Excess (Deficiency) of expenditures over revenues	-	(7,535,400)	(355,671)	7,179,729
OTHER FINANCING SOURCES:				
Transfers from other funds	-	7,535,400	7,560,400	25,000
EXCESS(DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	-	-	7,204,729	7,204,729
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	\$ -	\$ -	\$ 7,204,729	

CITY OF ST. GEORGE, UT
INTERNAL SERVICE FUNDS
STATEMENT OF NET ASSETS

JUNE 30, 2001

	<u>SELF-INSURANCE</u>
ASSETS	
Current assets:	
Cash & cash equivalents	\$ 362,902
Total assets	<u>\$ 362,902</u>
LIABILITIES	-
NET ASSETS	
Unrestricted	<u>\$ 362,902</u>

CITY OF ST. GEORGE, UT
INTERNAL SERVICE FUNDS
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET ASSETS

FOR THE YEAR ENDED JUNE 30, 2001

	<u>SELF-INSURANCE</u>
Operating revenues:	
Insurance Assessments	\$ 348,640
	<u>348,640</u>
Total operating revenues	<u>348,640</u>
Operating expenses:	
Professional fees	16,406
Claims paid	45,650
Insurance premiums	240,368
	<u>302,424</u>
Total operating expenses	<u>302,424</u>
Operating income	<u>46,216</u>
Nonoperating revenues (expenses):	
Interest income	22,685
Miscellaneous income	14,632
	<u>37,317</u>
Total nonoperating revenues (expenses):	<u>37,317</u>
Changes in net assets	83,533
Net assets - beginning of year	279,369
Net assets - end of year	<u>\$ 362,902</u>

CITY OF ST. GEORGE, UT
INTERNAL SERVICE FUNDS
STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2001

	<u>SELF-INSURANCE</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from quasi-external transactions	\$ 348,640
Payments to suppliers	(302,424)
Net cash provided by operating activities	<u>46,216</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Miscellaneous revenues	14,632
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest income	<u>22,685</u>
Net increase in cash & cash equivalents	83,533
Cash balance - beginning of year	<u>279,369</u>
Cash balance - end of year	<u><u>\$ 362,902</u></u>

City of St. George, UT
NonMajor Proprietary Funds
Combining Statement of Net Assets
June 30, 2001

	<u>Enterprise Funds</u>		
	<u>Refuse Collection</u>	<u>Golf Courses</u>	<u>Total Non-Major</u>
Assets			
Cash and investments	\$ 57,108	\$ (331,993)	\$ (274,885)
Restricted cash	\$ -	\$ 155,821	155,821
Furniture, Fixtures, & equip	-	14,719,477	14,719,477
Less depreciation	-	(2,685,636)	(2,685,636)
Other assets (deferred bond costs)	-	49,995	49,995
Total assets	<u>57,108</u>	<u>11,907,664</u>	<u>11,964,772</u>
Liabilities			
Liabilities:			
Accrued liabilities	-	169,499	169,499
Due to other funds		1,306,223	1,306,223
Bonds payable		2,989,552	2,989,552
Total liabilities	<u>-</u>	<u>4,465,274</u>	<u>4,465,274</u>
Net Assets			
Invested in capital assets, net of related debt	-	9,044,289	9,044,289
Restricted for debt service		155,821	155,821
Unrestricted	57,108	(1,757,720)	(1,700,612)
Total Net Assets	<u>\$ 57,108</u>	<u>\$ 7,442,390</u>	<u>\$ 7,499,498</u>

City of St. George, UT
NonMajor Proprietary Funds
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets
For the Year Ended June 30, 2001

	<u>Enterprise Funds</u>		
	<u>Refuse Collection</u>	<u>Golf Courses</u>	<u>Total Non-Major</u>
OPERATING REVENUES:			
Charges for services	\$ 2,036,412	\$ 3,992,466	\$ 6,028,878
Other operating revenues			-
Total operating revenues	<u>2,036,412</u>	<u>3,992,466</u>	<u>6,028,878</u>
OPERATING EXPENSES:			
Salary and wages		1,141,954	1,141,954
Supplies		272,661	272,661
Service vehicle expense		18,543	18,543
Equipment rental		245,352	245,352
Depreciation		295,784	295,784
Bad debts	10,177		10,177
Payroll tax & employee benefits		426,604	426,604
Office & dept. supplies		86,042	86,042
Professional services	394	510,407	510,802
R. & M. - equipment		95,891	95,891
R. & M. - buildings and grounds		552,949	552,949
Insurance & surety bonds		28,383	28,383
Travel		10,221	10,221
Subscriptions & memberships		15,574	15,574
Contract labor	1,928,830		1,928,830
Billing & administration	100,000		100,000
Total operating expenses	<u>2,039,401</u>	<u>3,700,364</u>	<u>5,739,766</u>
Operating income (loss)	<u>(2,989)</u>	<u>292,101</u>	<u>289,112</u>
NON-OPERATING REVENUES (EXPENSES)			
Interest income		42,996	42,996
Rent		6,218	6,218
Miscellaneous income		63,568	63,568
Interest charges		(264,273)	(264,273)
Total non-operating revenue (expense)	<u>-</u>	<u>(151,491)</u>	<u>(151,491)</u>
Income before transfers	(2,989)	140,610	137,621
Transfers from other funds		249,900	249,900
Changes in Net Assets	(2,989)	390,510	387,521
Total Net Assets - beginning of year	<u>60,097</u>	<u>7,051,880</u>	<u>7,111,977</u>
Total Net Assets - end of year	<u>\$ 57,108</u>	<u>\$ 7,442,390</u>	<u>\$ 7,499,498</u>

CITY OF ST. GEORGE, UTAH
NONMAJOR PROPRIETARY FUNDS
COMBINING STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2001

Business-type Activities - Enterprise Funds

**CASH FLOWS FROM OPERATING
ACTIVITIES**

	<u>REFUSE COLLECTION</u>	<u>GOLF COURSES</u>	<u>TOTAL NON-MAJOR</u>
Receipts from customers and users	\$ 2,036,412	\$ 3,992,466	\$ 6,028,878
Payments to suppliers	(2,039,401)	(1,833,598)	(3,873,000)
Payments to employees	-	(1,568,558)	(1,568,558)
Net cash provided by operating activities	<u>(2,989)</u>	<u>590,309</u>	<u>587,320</u>

**CASH FLOWS FROM NONCAPITAL
FINANCING ACTIVITIES**

Rents received		6,218	6,218
Miscellaneous non-operating income		63,568	63,568
Economic development transfer		249,900	249,900
Net cash provided (used) by noncapital and related financing activities	<u>-</u>	<u>319,686</u>	<u>319,686</u>

**CASH FLOWS FROM CAPITAL AND
RELATED FINANCING ACTIVITIES**

Proceeds from capital debt		899,552	899,552
Purchases of capital assets		(1,566,855)	(1,566,855)
Principal paid on capital debt		(494,011)	(494,011)
Interest paid on capital debt		(264,273)	(264,273)
Capital lease principal payments			
Capital lease interest payments			
Net cash provided (used) by capital and related financing activities	<u>-</u>	<u>(1,425,587)</u>	<u>(1,425,587)</u>

**CASH FLOWS FROM INVESTING
ACTIVITIES**

Interest received	-	42,996	42,996
Net increase (decrease) in cash and cash equivalents	(2,989)	(472,596)	(475,585)
Cash and equivalents at beginning of year	60,097	296,424	356,521
Cash and equivalents at end of year	<u>\$ 57,108</u>	<u>\$ (176,172)</u>	<u>\$ (119,064)</u>

**Reconciliation of operating income to
net cash provided (used) by operating
activities:**

Operating income (loss)	\$ (2,989)	\$ 292,101	\$ 289,112
Adjustments to reconcile net income from operations to net cash provided by operating activities:			
Depreciation	-	295,784	295,784
Changes in assets & liabilities:			
Decrease (increase) in discounts		(16,401)	(16,401)
Increase (decrease) in accruals		18,825	18,825
Total adjustments	<u>-</u>	<u>298,208</u>	<u>298,208</u>

**Net cash provided by operating
activities:**

<u>\$ (2,989)</u>	<u>\$ 590,309</u>	<u>\$ 587,320</u>
-------------------	-------------------	-------------------

CITY OF ST. GEORGE, UTAH
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY SOURCE

JUNE 30, 2001

GOVERNMENTAL FUNDS CAPITAL ASSETS:

Land	\$ 11,463,739
Buildings	16,547,595
Improvements	33,719,128
Infrastructure assets	43,150,430
Equipment	9,841,233
	<hr/>
Total Governmental Funds Capital Assets	\$ 114,722,125
	<hr/>

INVESTMENTS IN GOVERNMENTAL FUNDS CAPITAL ASSETS BY SOURCE:

Capital Projects Funds:	
General obligation bonds	\$ 20,926,879
Federal grants	5,252,331
State grants	633,195
County grants	20,000
WCJA - (Dixie Center interlocal agency)	7,049,897
Downtown Redevelopment revenues	3,228,293
Capital equipment fund	7,483,474
Industrial Park fund	2,401,462
Sewer Impact fund	245,866
Park Impact fund	5,653,000
Fire Impact fund	779,872
Drainage Impact fund	209,936
Special Assessment fund	20,396,350
Street Impact fund	400,205
Transportation improvement fund	122,391
Airport PFC fund	22,049
General Fund revenues	39,896,925
	<hr/>
Total Governmental Funds Capital Assets	\$ 114,722,125
	<hr/>

CITY OF ST. GEORGE, UTAH
SCHEDULE OF CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
BY FUNCTION & ACTIVITY

JUNE 30, 2001

FUNCTION AND ACTIVITY	TOTAL	LAND	BUILDINGS	IMPROVEMENTS	INFRASTRUCTURE	EQUIPMENT
GENERAL GOVERNMENT:						
Gen. government bldgs.	\$ 6,680,420	\$	\$ 2,507,646	\$ 495,029	\$ -	\$ -
WCIA (Dixie Center)	8,823,964	1,774,067	7,049,897	-	-	-
Downtown Redevelopment	4,566,281	2,080,452	1,062,008	1,423,821	-	-
Community development (Industrial Park)	1,626,676	162,489	-	1,464,187	-	-
Administration	547,471	-	-	-	-	547,471
Total general government	22,244,812	7,694,753	10,619,551	3,383,037	-	547,471
PUBLIC SAFETY:						
Police protection	2,760,407	-	82,589	93,968	-	2,583,850
Fire protection	3,200,506	43,048	1,344,834	55,882	-	1,756,742
Total public safety	5,960,913	43,048	1,427,423	149,850	-	4,340,592
PUBLIC WORKS:						
PARKS, RECREATION, &	56,551,061	130,866	2,241,405	7,965,910	43,032,512	3,180,368
PUBLIC PROPERTY:	29,965,339	3,595,072	2,259,216	22,220,328	117,921	1,772,802
Total governmental fund capital assets allocated to function	\$ 114,722,125	\$ 11,463,739	\$ 16,547,595	\$ 33,719,125	\$ 43,150,433	\$ 9,841,233

CITY OF ST. GEORGE, UTAH
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY

YEAR ENDED JUNE 30, 2000

FUNCTION AND ACTIVITY	GOVERNMENTAL FUNDS CAPITAL ASSETS		GOVERNMENTAL FUNDS CAPITAL ASSETS	
	JULY 1, 2000	ADDITIONS	DELETIONS	JUNE 30, 2001
GENERAL GOVERNMENT:				
Gen. government bldgs.	\$ 5,463,950	\$ 1,216,469	\$ -	\$ 6,680,419
WCIA - Dixie Center	8,823,964	-	-	8,823,964
Downtown Redevelopment	4,540,702	25,579	-	4,566,281
Industrial Park	1,626,676	-	-	1,626,676
Administration	446,074	101,396	-	547,470
	<u>20,901,366</u>	<u>1,343,444</u>	<u>-</u>	<u>22,244,810</u>
PUBLIC SAFETY:				
Police protection	2,402,895	357,511	-	2,760,406
Fire protection	3,055,641	144,865	-	3,200,506
	<u>5,458,536</u>	<u>502,376</u>	<u>-</u>	<u>5,960,912</u>
PUBLIC WORKS:				
PARKS, RECREATION, &	53,031,168	3,519,893	-	56,551,061
PUBLIC PROPERTY:	28,074,994	1,890,345	-	29,965,339
TOTAL GOVERNMENTAL FUND CAPITAL ASSETS	<u>\$ 107,466,064</u>	<u>\$ 7,256,058</u>	<u>\$ -</u>	<u>\$ 114,722,122</u>

CITY OF ST. GEORGE, UTAH

ELECTRIC FUND

STATISTICAL ANALYSIS

JUNE 30, 2001

<u>Year Ended June 30,</u>	
<u>2001</u>	<u>2000</u>

Production Cost Analysis:

Kilowatt hours generated	40,724,094	2,014,256
Kilowatt hours purchased	<u>453,950,848</u>	<u>468,311,811</u>
Total Kilowatt Hours	<u>494,674,942</u>	<u>470,326,067</u>
 Total Operating Costs	 <u>\$36,944,119</u>	 <u>\$26,848,129</u>
Cost per Kilowatt Hour	<u>\$.07468</u>	<u>\$.05708</u>

Summary of Kilowatt Hours and Costs for
previous period

<u>YEAR</u>	<u>KILOWATT HOURS</u>	<u>COST PER KILOWATT HOUR</u>
1991	300,399,121	.04356
1992	306,815,807	.04488
1993	317,653,622	.05091
1994	346,738,642	.04966
1995	369,089,363	.05412
1996	392,034,761	.05297
1997	419,976,185	.05306
1998	426,475,844	.05117
1999	456,043,750	.04957
2000	470,326,067	.05708
2001	494,674,942	.07468

20012000

Average Revenue Analysis:

Kilowatt Hours billed	457,259,749	434,755,354
Unbilled Hours-line loss, street lights	<u>37,415,193</u>	<u>35,570,713</u>
Total Kilowatt Hours	<u>494,674,942</u>	<u>470,326,067</u>
 Total Revenue Billed	 \$25,283,678	 \$22,006,011
Number of Customers	20,323	19,618
Average monthly billing	\$103.67	\$93.48

CITY OF ST. GEORGE, UTAH

WATER FUND

STATISTICAL ANALYSIS

JUNE 30, 2001

	<u>Year Ended June 30,</u>	
	<u>2001</u>	<u>2000</u>
Production cost analysis:		
Number of gallons billed	7,425,823,860	7,325,311,050
Expense of operations	\$6,453,561	\$6,185,300
Cost per billed gallon	\$.000869	\$.000844
Average Revenue Analysis:		
Number of metered customers	12,762	12,149
Water usage billed	\$8,069,746	\$8,119,704
Average monthly billing per metered customer	\$52.69	\$55.70

TABLE I
CITY OF ST. GEORGE, UTAH
GENERAL GOVERNMENTAL EXPENDITURES AND OTHER USES BY FUNCTION
GENERAL FUND
LAST TEN FISCAL YEARS

FISCAL YEAR	GENERAL GOVRNMNT	PUBLIC SAFETY	HIGHWAYS & PUBLIC IMPRVMNTS	PARKS RECREATION & PUBLIC PROPERTY	OTHER	TOTAL
1992	\$ 1,547,648	\$ 2,805,874	\$ 3,576,356	\$ 2,023,531	\$ 708,298	\$ 10,661,707
1993	1,849,527	3,134,908	3,102,070	2,003,858	2,002,997	12,093,360
1994	1,954,842	3,800,744	4,541,221	2,589,492	1,335,400	14,221,699
1995	4,095,625	4,448,091	4,393,589	2,441,109	2,320,448	17,698,862
1996	2,518,228	4,740,659	4,129,613	3,188,672	1,877,640	16,454,812
1997	2,391,938	5,222,463	4,375,437	3,481,714	2,586,506	18,058,058
1998	2,685,261	6,082,104	4,889,735	3,835,310	2,963,682	20,456,092
1999	3,107,515	6,346,946	6,061,190	4,482,507	2,420,506	22,418,664
2000	3,335,747	7,344,769	5,971,003	4,501,654	2,808,512	23,961,685
2001	3,035,366	7,008,832	6,331,930	5,546,456	4,020,767	25,943,351

Source: St George City audited financial statements

TABLE II
CITY OF ST. GEORGE, UTAH
REVENUES AND OTHER FINANCING SOURCES BY SOURCE
GENERAL FUND
LAST TEN FISCAL YEARS

FISCAL YEAR	TAXES	LICENSES & PERMITS	INTER- GOVERNMENTL	CHARGES FOR SERVICES	FINES & FORFEITS	INTEREST & OTHER REVENUES	IN LIEU & TRNFRS IN	TOTAL
1992	\$ 6,780,079	\$ 633,567	\$ 1,344,267	\$ 1,356,601	\$ 112,625	\$ 401,252	\$ 150,000	\$ 10,778,391
1993	8,545,594	771,204	1,007,606	1,744,268	153,986	319,153	-	12,541,811
1994	8,897,521	1,110,195	1,960,964	1,889,557	222,591	536,363	-	14,617,191
1995	9,797,351	1,105,129	1,803,014	2,009,246	218,135	2,001,640	-	16,934,515
1996	11,566,055	999,997	1,018,774	2,430,778	216,661	414,811	-	16,647,076
1997	13,058,793	914,563	1,087,426	2,430,919	466,646	403,289	-	18,361,636
1998	13,877,051	974,139	2,071,624	2,827,836	397,018	504,605	-	20,652,273
1999	14,155,766	1,017,029	2,342,404	3,596,639	459,420	912,142	-	22,483,400
2000	15,087,379	1,074,999	2,363,853	3,679,499	646,262	1,653,766	-	24,505,758
2001	16,117,048	1,169,019	2,506,070	3,752,768	862,925	1,535,521	-	25,943,351

Source: St George City audited financial statements

TABLE III
CITY OF ST. GEORGE, UTAH
TAX REVENUE BY SOURCE
GENERAL FUND
LAST TEN FISCAL YEARS

FISCAL YEAR	GENERAL PROPERTY TAXES	GENERAL SALES & USE TAXES	FRANCHISE TAXES	TOTAL TAXES
1992	\$ 2,097,352	\$ 3,524,418	\$ 1,158,309	\$ 6,780,079
1993	2,479,753	4,743,815	1,322,026	8,545,594
1994	2,616,833	4,833,226	1,447,462	8,897,521
1995	2,569,090	5,662,992	1,565,269	9,797,351
1996	3,356,531	6,335,072	1,874,452	11,566,055
1997	4,463,792	6,602,360	1,992,641	13,058,793
1998	4,769,964	6,917,219	2,189,868	13,877,051
1999	4,388,896	7,461,474	2,305,396	14,155,766
2000	4,521,037	8,133,428	2,432,914	15,087,379
2001	4,798,994	8,538,437	2,779,617	16,117,048

Source: St. George City audited financial statements

TABLE IV
CITY OF ST. GEORGE, UTAH
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

FISCAL YEAR	TOTAL TAX LEVY (1)	CURRENT TAX COLLECTION	% OF LEVY TO COLLECTN	DELINQNT TAXES	TOTAL TAX COLLECTION	TOTAL AS A % OF LEVY
1992	\$ 1,998,858	\$ 1,864,995	93.30%	\$ 232,357	\$ 2,097,352	104.93%
1993	2,493,803	2,345,671	94.06%	134,082	2,479,753	99.44%
1994	2,584,171	2,433,255	94.16%	183,578	2,616,833	101.26%
1995	2,552,601	2,442,329	95.68%	126,761	2,569,090	100.65%
1996	3,377,891	3,224,368	95.46%	132,163	3,356,531	99.37%
1997	4,508,681	4,309,075	95.57%	154,717	4,463,792	99.00%
1998	4,858,046	4,568,751	94.05%	201,213	4,769,964	98.19%
1999	4,342,410	4,076,723	93.88%	312,173	4,388,896	101.07%
2000	4,517,406	4,224,226	93.51%	296,811	4,521,037	100.08%
2001	5,066,375	4,529,284	89.40%	269,710	4,798,994	94.72%

Source: St. George City audited financial statements
(1) Washington County auditor

TABLE V
CITY OF ST. GEORGE, UTAH
TAXABLE AND MARKET VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

FISCAL YEAR	TAXABLE VALUE	MARKET VALUE	RATIO OF TAXABLE TO MARKET VALUE
1992	\$ 1,024,258,766	\$ 1,270,976,935	80.59%
1993	971,376,056	1,233,024,183	78.78%
1994	1,063,313,701	1,354,585,067	78.50%
1995	1,311,055,379	1,625,967,438	80.63%
1996	1,459,063,750	2,029,085,374	71.91% ***
1997	1,675,477,790	2,310,563,406	72.51% ***
1998	1,884,382,850	2,699,357,487	69.81% ***
1999	2,035,823,012	3,042,482,776	66.91% ***
2000	2,348,189,583	3,384,819,688	69.37% ***
2001	2,454,639,268	3,538,473,790	69.37% ***

Source: Washington County auditor

*** taxable value determined by class of property
55% of fair market value of primary residential property
100% of fair market value of non-primary residential property

TABLE VI
CITY OF ST. GEORGE, UTAH
SPECIAL ASSESSMENT COLLECTIONS
LAST TEN FISCAL YEARS

FISCAL YEAR	CURRENT DUE ASSESSMENTS	CURRENT COLLECTIONS	RATIO OF COLLECTIONS TO AMOUNT DUE	TOTAL OUTSTANDING ASSESSMENTS
1992	\$ 2,142,850	\$ 1,245,830	58.10%	\$ 7,473,454
1993	2,506,137	1,828,147	72.90%	7,650,265
1994	1,051,400	1,033,415	98.30%	6,005,079
1995	1,647,505	1,322,694	80.30%	7,098,120
1996	1,085,000	1,085,929	100.10%	6,012,191
1997	1,062,000	984,972	92.70%	5,027,219
1998	1,052,000	778,882	74.03%	5,297,781
1999	1,012,000	1,031,544	101.93%	4,045,707
2000	1,051,213	743,247	70.70%	4,339,094
2001	845,511	487,025	57.60%	3,722,505

Source: St George City audited financial statements

TABLE VII
CITY OF ST. GEORGE, UTAH
PROPERTY TAX RATE - ALL DIRECT AND OVERLAPPING GOVERNMENTS
PERCENT OF TAXABLE VALUE
LAST TEN FISCAL YEARS

FISCAL YEAR	ST GEORGE CITY	WASHINGTON COUNTY GEN PURPOSE	WASH. COUNTY LIBRARY	WASH. COUNTY REFUND	WASH. COUNTY SCHL DIST.	WASH. CO WATER CONSERVN	DIXIE CENTER	TOTAL
1992	0.001975	0.001412	0.000328	0.000074	0.009028	0.001000	0.000257	0.014074
1993	0.002015	0.001423	0.000333	0.000079	0.008866	0.001000	0.000212	0.013928
1994	0.002079	0.001445	0.000341	0.000020	0.008866	0.001000	0.000212	0.013963
1995	0.001923	0.001377	0.000317	-	0.008414	0.000993	0.000211	0.013235
1996	0.001984	0.001374	0.000322	-	0.007030	0.001000	0.000212	0.011922
1997	0.002258	0.001274	0.000299	-	0.006363	0.001000	0.000212	0.011406
1998	0.002188	0.001469	0.000309	-	0.006931	0.000988	0.000212	0.012097
1999	0.002133	0.001075	0.000306	-	0.007067	0.000966	0.000059	0.011606
2000	0.002091	0.000996	0.000295	-	0.006948	0.000900	-	0.011230
2001	0.002064	0.001357	0.000320	-	0.006905	0.000874	-	0.011520

Source: Washington County Treasurer

TABLE VIII
CITY OF ST. GEORGE, UTAH
RATIO OF GENERAL BONDED DEBT TO TAXABLE VALUE
AND BONDED DEBT PER CAPITA
LAST TEN FISCAL YEARS

FISCAL YEAR	POPULATION	TAXABLE VALUE	GENERAL BONDED DEBT	RATIO OF GENERAL BOND DEBT TAXABLE VALUE.	GENERAL BONDED DEBT PER CAPITA
1992	33,000	\$ 1,024,258,766	\$ 3,625,000	0.35%	\$ 110
1993	35,000	971,376,056	3,305,000	0.34%	94
1994	38,000	1,063,313,701	2,965,000	0.28%	78
1995	38,000	1,311,055,379	4,713,000	0.36%	124
1996	42,000	1,459,063,750	4,153,000	0.28%	99
1997	45,000	1,675,477,790	19,080,000	1.14%	424
1998	47,000	1,884,382,850	16,710,000	0.89%	356
1999	48,000	2,035,823,012	22,128,000	1.09%	461
2000	50,000	2,348,189,583	21,559,000	0.92%	431
2001	50,000	2,454,639,268	21,019,000	0.86%	420

Source: Washington County auditor

TABLE IX
CITY OF ST. GEORGE, UTAH
COMPUTATION OF LEGAL DEBT MARGIN
YEAR ENDED JUNE 30, 2001

Taxable Value		<u>\$ 2,454,639,268</u>
	General obligation Debt	Water & Sewer Debt
	<u> </u>	<u> </u>
Debt limit 4% of taxable value	\$ 98,185,571	
Debt limit 8% of taxable value		\$ 196,371,141
Amount of debt applicable to debt limit:		
Total bonded debt	\$ 21,019,000	\$ 59,603,985
Less assets restricted to bond retirement	<u>-</u>	<u>(3,369,483)</u>
Total amount of debt applicable to limit	<u>21,019,000</u>	<u>56,234,502</u>
Legal debt margin	<u>\$ 77,166,571</u>	<u>\$ 140,136,639</u>
Total combined legal debt margin		<u><u>\$ 217,303,210</u></u>

TABLE X
CITY OF ST. GEORGE, UTAH
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
YEAR ENDED JUNE 30, 2001

GOVERNMENTAL UNIT	BONDED DEBT OUTSTANDING	PERCENTAGE APPLICABLE TO CITY OF ST GEORGE	CITY SHARE OF DEBT
	<u> </u>	<u> </u>	<u> </u>
City of St George, UT	\$ 21,019,000	100.00%	\$ 21,019,000
Washington County	\$ 8,980,000	59.00%	5,298,200
Washington Co School District	\$ 111,194,000	59.00%	65,604,460
Washington Co. Water Conservancy	\$ 17,385,000	59.00%	10,257,150
Washington Co/St George City (WCIA)	\$ 19,630,000	38.00%	<u>7,459,400</u>
Total direct & overlapping debt			<u><u>\$ 109,638,210</u></u>

Source: Washington County Auditor
Washington County School District
Washington Co. Water Conservancy District

TABLE XI
CITY OF ST. GEORGE, UTAH
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES
GENERAL BONDED DEBT TO TOTAL GENERAL EXPENDITURES
LAST TEN FISCAL YEARS

Fiscal Year	Principal	Interest	Total Debt Service	Total General Expenditures & Other Uses	Ratio of Debt Service to Total General Expend.
1992	\$ 85,000	\$ 31,313	\$ 116,313	\$ 10,661,707	1.09%
1993	90,000	26,553	116,553	12,093,360	0.96%
1994	95,000	21,423	116,423	14,221,699	0.82%
1995	100,000	15,912	115,912	17,698,862	0.65%
1996	105,000	10,062	115,062	16,454,811	0.70%
1997	65,000	3,868	68,868	18,058,058	0.38%
1998	200,000	701,366	901,366	20,456,092	4.41%
1999	-	-	-	22,418,664	
2000	60,000	954,751	1,014,751	24,976,436	4.06% **
2001	60,000	963,535	1,023,535	26,968,080	3.80% **

Source: St George City audited financial statements

** General fund expenditures and recreation debt service fund

TABLE XII
CITY OF ST. GEORGE, UTAH
REVENUE BOND COVERAGE
WATER & WASTEWATER UTILITIES
WATER & WASTEWATER BONDS
LAST TEN FISCAL YEARS

Fiscal Year	REVENUES	DIRECT OPERATING EXPENSE	NET REVENUE AVAILABLE DEBT SERVICE	-----DEBT SERVICE REQUIREMENTS-----				COVERAGE
				PRINCIPAL	INTEREST	TOTAL		
1992	\$ 6,090,092	\$ 3,231,199	\$ 2,858,893	\$ 628,000	\$ 2,023,728	\$ 2,651,728		1.08
1993	6,294,296	3,510,175	2,784,121	772,000	2,009,309	2,781,309		1.00
1994	7,118,193	4,107,318	3,010,875	813,000	1,481,730	2,294,730		1.31
1995	7,856,095	4,594,906	3,261,189	1,421,211	1,497,124	2,918,335		1.12
1996	8,645,285	5,399,692	3,245,593	1,306,789	1,898,571	3,205,360		1.01
1997	10,472,351	6,124,125	4,348,226	1,730,000	2,118,325	3,848,325		1.13
1998	12,726,943	6,747,987	5,978,956	1,811,000	2,646,017	4,457,017		1.34
1999	13,803,583	6,999,645	6,803,938	1,771,000	2,766,370	4,537,370		1.50
2000	15,577,373	7,615,774	7,961,599	2,152,000	2,740,052	4,892,052		1.63
2001	17,070,967	7,940,496	9,130,471	3,341,478	2,725,606	6,067,084		1.50

INCLUDES ALL REVENUES AND EXPENSES FOR WATER UTILITY & WASTEWATER TREATMENT FUNDS

Source: City of St George audited financial statements

TABLE XIII
CITY OF ST. GEORGE, UTAH
DEMOGRAPHIC STATISTICS

CENSUS POPULATION COUNT:

1910	1,037
1920	2,215
1930	2,434
1940	3,591
1950	4,562
1960	5,130
1970	7,097
1980	11,350
1990	28,502
2000	49,663

AGE DISTRIBUTION OF POPULATION:

	<u>NUMBER</u>	<u>PERCENT</u>
Under 5 years	4,286	8.6%
5 to 9 years	3,688	7.4%
10 to 14 years	3,672	7.4%
15 to 19 years	4,847	9.8%
20 to 24 years	4,377	8.8%
25 to 34 years	5,728	11.5%
35 to 44 years	5,176	10.4%
45 to 54 years	4,443	8.9%
55 to 59 years	1,868	3.8%
60 to 64 years	2,012	4.1%
65 to 74 years	4,866	9.8%
75 to 84 years	3,624	7.3%
85 and over	<u>1,076</u>	<u>2.2%</u>
	<u>49,663</u>	<u>100.0%</u>

Median age 31.4 years

Source: U.S. Census Bureau

TABLE XIV
CITY OF ST. GEORGE, UTAH
PRINCIPAL TAXABLE PROPERTIES
JUNE 30, 2001

NAME	TYPE OF BUSINESS	TAXABLE VALUE	% OF TOTAL
PRICE DEVELOPMENT	REGIONAL SHOPPING MALL	\$ 21,759,125	0.93%
ZION FACTORY STORES1	STRIP SHOPPING MALL	21,071,800	0.90%
IHC HOSPITALS	MEDICAL PROVIDER	11,201,850	0.48%
LESTER WITTWER INVESTMENTS	PROPERTY INVESTMENTS	8,346,018	0.36%
HARMONS	GROCERY STORE COMPLEX	7,524,335	0.32%
A & M INVESTMENTS	PROPERTY INVESTMENTS	7,172,335	0.31%
SMITHS FOOD KING	GROCERY STORE COMPLEX	5,684,640	0.24%
SUN RIVER DEVELOPMENT II	PROPERTY INVESTMENTS	5,204,530	0.22%
DEAN T. TERRY	HOLIDAY INN & RESTAURANT	5,183,150	0.22%
AH COOMBS LC	PROPERTY INVESTMENTS	5,172,565	0.22%
DIXIE DEVELOPMENT CORP	PROPERTY INVESTMENTS	5,039,890	0.21%
THETA INVESTMENT CO	PROPERTY INVESTMENTS	5,021,210	0.21%
DIXIE PARADISE PROPERTY LTD	PROPERTY INVESTMENTS	5,014,540	0.21%
ELAINE PLACE LIMITED	PROPERTY INVESTMENTS	5,013,940	0.21%
		<u>\$ 118,409,928</u>	<u>5.04%</u>

Source: Washington County Assessor

TABLE XV
CITY OF ST. GEORGE, UTAH
MISCELLANEOUS STATISTICS

JUNE 30, 2001

Date of incorporation	1862			
Form of Government	Mayor-Council-Manager			
Area	70.53 Square miles			
Miles of streets	245.53			
Fire Protection:				
Number of stations	6			
Number of full-time firemen	8			
Number of volunteer firemen	51			
Police Protection:				
Number of stations	1			
Number of policemen	67			
Number of reserve officers	8			
Education:				
Number of schools:				
High School	3			
Junior High	3			
Elementary	6			
Recreation and Culture:				
Number of parks	22 (total of 387.4 acres)			
Number of libraries	1			
Number of volumes	40,000 (approximately)			
Employees:				
Classified service	342			
Exempt	40			
Part-time	311			
Bldg. permits:				
	<u>#of units</u>	<u>Const value</u>		
	<u>2001</u>	<u>2000</u>	<u>2001</u>	<u>2000</u>
Single family residential	460	477	\$63,832,500	\$59,922,367
Condo/townhomes	333	262	28,047,500	21,883,000
Apartments/duplex	27	25	1,421,000	1,526,000
Mobile Home/RV	<u>1</u>	<u>12</u>	42,000	111,800
Commercial/Industrial			37,841,000	24,104,000
Miscellaneous/Additions			5,052,705	7,902,714
Government/Hospital addition			1,474,000	5,658,000
Churches/Additions			5,120,000	6,586,000
Schools			<u>2,426,000</u>	<u>2,900,000</u>
Totals	<u>821</u>	<u>776</u>	<u>\$145,256,705</u>	<u>\$130,593,881</u>

THIS PAGE LEFT BLANK INTENTIONALLY



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH
LAWS AND REGULATIONS AND ON
INTERNAL CONTROL OVER FINANCIAL REPORTING
BASED ON AN AUDIT OF BASIC
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

MEMBERS:

KRIS J. BRAUNBERGER
DEAN R. BURDICK
BRENT R. HALL
KENNETH A. HINTON
GREGORY A. KEMP
MORRIS J. PEACOCK
MICHAEL K. SPILKER
MARK E. TICHENOR

The Honorable Mayor and
City Council
St. George, Utah

We have audited the basic financial statements of the City of St. George, as of and for the year ended June 30, 2001, and have issued our report thereon dated September 6, 2001. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

As part of obtaining reasonable assurance about whether the City of St. George's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

In planning and performing our audit, we considered the City of St. George's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Mayor and City Council
September 6, 2001
Page 2

This report is intended solely for the information of the mayor, audit committee, management, and federal awarding agencies and pass through entities and is not intended to be and should not be used by anyone other than these specified parties.

While these reports are intended to be used by the specified parties, which include the applicable government regulatory bodies which require the reports, this report restriction does not alter the fact that the audit reports are public documents which, based on Utah laws, must be open to inspection by any interested person.

Kemp, Burdick, Hinton & Hall, L.C.

KEMP, BURDICK, HINTON & HALL, L.C.
September 6, 2001

H:\shared\SeGeorgeCity\2001 Audit\lindaud.int.wpd

ST. GEORGE CITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2001

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Justice:			
COPS/Universal Hiring Program	16.701		\$ 126,853
Local Law Enforcement Block Grant	16.592		87,590
Bulletproof Vest Partnership Program	16.607		4,484
Drug Enforcement & System Improvement Formula Grant Program	16.579		<u>54,993</u>
Total U.S. Department of Justice			<u>273,920</u>
Federal Department of Transportation:			
Highway Safety Project	20.601		10,210
Airport Improvement Program	20.106		<u>359,804</u>
Total Federal Department of Transportation			<u>370,014</u>
Executive Office of the President, Office of National Drug Control Policy:			
High Intensity Drug Trafficking Area	NONE		<u>59,793</u>
Total Expenditures of Federal Awards			<u>\$ 703,727</u>

The accompanying notes are an integral part of this schedule.

ST. GEORGE CITY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2001

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of St. George City and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the general-purpose financial statements.

Note 2. Subrecipients

St. George City provided no federal awards to subrecipients.

ST. GEORGE CITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2001

Section I – Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: unqualified

Internal control over financial reporting:

- Material weakness identified? ☐ yes ☒ no
- Reportable conditions identified that are not considered to be material weaknesses? ☐ yes ☒ none reported

Noncompliance material to financial statements noted? ☐ yes ☒ no

Federal Awards

Internal control over major programs:

- Material weakness identified? ☐ yes ☒ no
- Reportable conditions identified that are not considered to be material weaknesses? ☐ yes ☒ no

Type of auditor's report issued on compliance for major programs: unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?

☐ yes ☒ no

Identification of major programs:

CFDA Number(s)

Name of Federal Program

20.106

Airport Improvement Program

Dollar threshold used to distinguish between type A and type B programs:

\$ 300,000

Section I – Summary of Auditor’s Results (Continued)

 yes x no

No matters were reported.

No matters were reported.



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH REQUIREMENTS APPLICABLE TO EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133**

MEMBERS:

KRIS J. BRAUNBERGER
DEAN R. BURDICK
BRENT R. HALL
KENNETH A. HINTON
GREGORY A. KEMP
MORRIS J. PEACOCK
MICHAEL K. SPILKER
MARK E. TICHENOR

To the Honorable Mayor
And City Council
St. George, Utah

Compliance

We have audited the compliance of St. George City with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2001. St. George City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of St. George City's management. Our responsibility is to express an opinion on St. George City's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about St. George City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of St. George City's compliance with those requirements.

In our opinion St. George City complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2001.

Internal Control Over Compliance

The management of St. George City is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered St. George City's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect St. George City's ability to administer a major federal program in accordance with the applicable requirements of laws, regulations, contracts and grants.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with the applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. However, we noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the audit committee, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

While these reports are intended to be used by the specified parties, which include the applicable government regulatory bodies which require the reports, this report restriction does not alter the fact that the audit reports are public documents which, based on Utah laws, must be open to inspection by any interested person.

Kemp, Burdick, Hinton & Hall, L.C.

KEMP, BURDICK, HINTON & HALL, L.C.
September 6, 2001



Independent Auditors' Report on State Legal Compliance

To the Honorable Mayor
and City Council
St. George, Utah

We have audited the basic financial statements of the City of St. George, Utah, for the year ended June 30, 2001, and have issued our report thereon dated September 6, 2001. As part of our audit, we have audited the City of St. George's compliance with the requirements governing types of services allowed or unallowed; eligibility; matching, level of effort, or earmarking; reporting; special tests and provisions applicable to each of its major State assistance programs as required by the State of Utah's Legal Compliance Audit Guide for the year ended June 30, 2001. The City received the following major State assistance programs from the State of Utah:

C Road Funds (Department of Transportation)
Liquor Law Enforcement (State Tax Commission)
Community Impact Grants (DCED - Community Developments Division)

Our audit also included testwork on the City's compliance with those general compliance requirements identified in the Compliance Manual of Audits of Local Governments in Utah including:

Public Debt
Cash Management
Purchasing Requirements
Budgetary Compliance
Truth in Taxation & Property Tax Limitations
Liquor Law Enforcement
B & C Road Funds
Department of Commerce
Other General Compliance Issues
Impact Fees & Other Development Fees

MEMBERS:

KRIS J. BRAUNBERGER
DEAN R. BURDICK
BRENT R. HALL
KENNETH A. HINTON
GREGORY A. KEMP
MORRIS J. PEACOCK
MICHAEL K. SPILKER
MARK E. TICHENOR

Mayor and City Council
September 6, 2001
Page 2

The management of the City of St. George is responsible for the City's compliance with all compliance requirements identified above. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

The results of our audit procedures disclosed immaterial instances of noncompliance with the requirements referred to above, which are described in the accompanying Schedule of Findings and Recommendations. We considered these instances of noncompliance in forming our opinion on compliance, which is expressed in the following paragraph.

In our opinion, the City of St. George, Utah, complied, in all material respects, with the general compliance requirements identified above and the requirements governing types of services allowed or unallowed; eligibility; matching, level of effort, or earmarking; reporting; and special tests and provisions that are applicable to each of its major State assistance programs for the year ended June 30, 2001.

Kemp, Burdick, Hinton & Hall, L.C.

KEMP, BURDICK, HINTON & HALL, L.C.
St. George, Utah
September 6, 2001



SCHEDULE OF FINDINGS AND RECOMMENDATIONS

MEMBERS:

KRIS J. BRAUNBERGER
DEAN R. BURDICK
BRENT R. HALL
KENNETH A. HINTON
GREGORY A. KEMP
MORRIS J. PEACOCK
MICHAEL K. SPILKER
MARK E. TICHENOR

September, 6, 2001

St. George City Officials
St. George, Utah 84770

Dear Sirs:

During our audit of the funds of St. George City for the fiscal year 2000 - 2001, we found several instances of non-compliance with state law. We do not believe these instances to be material; however, we are required to communicate them to you. We recommend that appropriate action be taken to put the City in full compliance with state laws.

1. Finding - Deficit Fund Balance:

Utah Code 10-6-117 dictates that appropriations for expenditures are not to exceed estimated expendable revenue. The State Auditor's office holds the position that any fund deficit is an illegally created debt and should, accordingly, be budgeted to be eliminated immediately. The City's special improvement district construction fund, street impact fee fund, and street bonds projects fund had a deficit fund balance at June 30, 2001.

Recommendation

We follow the recommendation of the State Auditor's office by suggesting the City budget in fiscal year 2001-2002 to eliminate the fund deficit in these funds.

2. Finding - Budgetary Compliance:

The Fiscal Procedures Act for Utah Cities requires cities to restrict expenditures to the authorized department budget. The "statement of revenues, expenditures and changes in fund balance - budget and actual" identifies the departments or funds which have over-expended their budget amounts.

September 6, 2001

Page 2

Recommendation

We recommend that the City operate within the confines of State law by limiting expenditures or following proper procedures to adjust the departmental/fund budgets.

This letter is intended solely for the use of the City Council and management.

It has been a pleasure to once again be of service to the City this past year. Observations we made during the audit evidence the fact that you are carefully trying to comply with federal and state laws and to fulfill your stewardship to the citizens of St. George. We wish to thank you for your diligent efforts.

If we can be of additional assistance in any way to further assist you in fulfilling your stewardship, please contact us at any time. We look forward to a continued pleasant professional relationship.

Sincerely,

Kemp, Burdick, Hinton & Hall, L.C.

Kemp, Burdick, Hinton & Hall, LC

H:\shared\StGeorgeCity\2001 Audit\IFINDING.SCH.wpd



October 19, 2001

CITY OF ST. GEORGE

To: Mayor and City Council 175 East 200 North
City Manager St. George, Utah 84770
City of St. George

From: Philip R. Peterson, CPA
Finance Director

Subject: Schedule of Findings and Recommendations
Fiscal year audit ended June 30, 2001

The following responses have been made to the audit findings and recommendations of our auditors as they were included in the schedule of findings and recommendations.

1. This is a continuing problem because of the way in which we self-fund special assessment construction. As soon as the last SID project is complete and the bonds sold, this fund will be zeroed out. The problem in the street impact fund is to be expected in an impact fee fund. Because of the large costs of projects, it is expected that the funds will be expended and then recouped in future years as fees are collected from new construction. The street bond projects fund will be closed out during the 2002 fiscal year and thus this deficit will be eliminated with a transfer from the Public Works Capital Works Projects Capital Projects fund.

2. We do monitor all budgets closely to assure that they stay within authorized limits. However, sometimes in the capital projects funds (which are typically multi-year projects) it is difficult to determine what the status of such projects will be at year-end. As always we will continue to monitor all budgets and eliminate this types of problems in the future.

THIS PAGE LEFT BLANK INTENTIONALLY

CITY OF ST. GEORGE, UTAH
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2001

Finding 1. - Deficit Fund Balance

Condition: This finding related to deficit positions in the Special Assessment Construction Capital Projects Fund, the Street Impact Capital Projects Fund, and the Police Impact Capital Projects Funds.

Recommendations: The auditor recommended that the City budget to eliminate these deficits during the 2000-2001 fiscal year.

Current Status: Because of the City's self funding of special assessment projects the construction fund continues to have a deficit fund balance. The Street Impact Capital Projects Fund continues to have a deficit as funds are spent more quickly than received in this impact fund. As projects are completed and impact funds continue to be paid, these deficits will be eliminated just as the deficit in the Police Impact Capital Projects Fund was eliminated this year as revenues exceeded expenditures.

Finding 2. - Class C Retainage:

Condition: This finding found that when retainage was held on construction projects, interest was not paid as required by Utah state code.

Recommendation: The auditor recommended that separate interest bearing accounts be established to account for retainages.

Current Status: Project managers did a much better job and interest was paid on all retainages during the year.

Finding 3. - Advertisement of Class C Road Projects:

Condition: Although the City was advertising for bids on Class C road projects of more than \$100,000, the length of time for the advertisements was not in accordance with the Utah Procurement Code.

Recommendation: The auditor recommended that for all Class C projects over \$100,000, that the City follow the Utah Procurement Code advertising requirements.

Current Status: No conditions exist this year and proper steps have been implemented.

THIS PAGE LEFT BLANK INTENTIONALLY

City of St. George, UT
Continuing Disclosure - Excise Tax Revenue Bonds, Series 1996
Fiscal Year Ended June 30, 2001

Table 1 provides total revenue amounts deposited in the State Transportation Fund from which Class B and C road allocations are made:

TABLE 1

	Fiscal Year 1996	Fiscal Year 1997	Fiscal Year 1998	Fiscal Year 1999	Fiscal Year 2000
Motor Fuel Tax	\$ 163,169	\$ 168,414	\$ 217,682	\$ 225,191	\$ 237,574
Special Fuel Tax	43,735	46,344	72,404	72,067	76,590
Motor Vehicle Registration Fees	22,610	23,975	25,490	24,886	25,848
Proportional Registration Fees	7,338	7,941	9,482	10,627	12,203
Temporary Permits	419	401	400	386	372
Special Transportation Permits	5,481	5,386	5,589	5,756	5,678
Highway Use Permits	3,971	6,569	6,755	6,589	7,325
Driver License	8,918	-	-	-	-
Motor Vehicle Control Fees	3,683	3,922	4,019	4,123	4,173
Miscellaneous	1,980	2,303	3,075	-	-
Interest on Investments	345	-	-	-	-
	<u>\$ 261,649</u>	<u>\$ 265,255</u>	<u>\$ 344,896</u>	<u>\$ 349,625</u>	<u>\$ 369,763</u>

(Source: "Statistical Review of Government in Utah", compiled and published annually by Utah Foundation.)
"Annual Statistical Summary", Utah Department of Transportation, December 2000

Table 2 reflects collector and Class "C" Road Funds allocated by the Utah Department of Transportation quarterly to the City for the past five years:

TABLE 2 - C ROAD FUND DISTRIBUTION

Fiscal Year	St. George Allocations	Total B & C Road Fund Allocations	St. George Percentage
1996	\$ 726,259	\$ 60,399,991	1.20%
1997	749,928	64,562,973	1.16%
1998	1,326,748	99,285,747	1.34%
1999	1,571,994	104,552,498	1.50%
2000	1,698,549	107,313,227	1.58%
2001	1,736,506	104,976,375	1.65%

(Source: Utah Department of Transportation, "Annual Statistical Summary")

City of St. George, UT
Continuing Disclosure - Excise Tax Revenue Bonds, Series 1996
Fiscal Year Ended June 30, 2000

TABLE 3 - CALCULATION OF ESTIMATED DEBT SERVICE COVERAGE

Bond Year	Project Class C Road Fund Allocation		Debt Service	Coverage
2001	\$ 1,736,506	1	\$ 495,864	3.50
2002	1,788,601	2	499,262	3.58
2003	1,842,259		496,400	3.71
2004	1,897,527		497,330	3.82
2005	1,954,453		497,010	3.93
2006	2,013,086		500,284	4.02
2007	2,073,479		497,004	4.17

1 - per City of St. George audited financial statements
2 - growth rate of 3% per year estimated.

**TABLE 4 - TEN YEAR HISTORY OF FUNDING SOURCES FOR ROAD
CONSTRUCTION AND MAINTENANCE**

Fiscal Year	Total Road Construction and Maintenance Expenditures	C" Road Fund Portion	Contribution from the City's General Fund	General Fund Monies as a % of Total
2000	\$ 3,685,634	\$ 1,736,506	\$ 1,949,128	52.88%
2000	3,427,740	1,698,549	1,729,191	50.45%
1999	3,643,434	1,571,994	2,071,440	56.85%
1998	3,037,644	1,326,748	1,710,896	56.32%
1997	2,175,789	749,928	1,425,861	65.53%
1996	2,223,540	702,215	1,521,325	68.42%
1995	2,156,737	630,421	1,526,316	70.77%
1994	1,859,517	568,655	1,290,862	69.42%
1993	1,457,221	516,034	941,187	64.59%
1992	1,423,128	483,496	939,632	66.03%

(Source: City of St. George annual financial statements)

City of St. George, UT
Continuing Disclosure - Series 1996 General Obligation Parks & Rec Bonds
Fiscal Year Ended June 30, 2001

Comparative Property Tax Rates Within Washington County

<u>Tax Levying Entity</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>
Hurricane	0.002105	0.002187	.002220	.002261	.002298
Ivins	0.002201	0.001551	.001598	.001655	.001638
LaVerkin	0.002029	0.001787	.001777	.001806	.001887
St. George City	0.002064	0.002091	0.002133	.002188	.002258
Washington City	0.002007	0.001623	.001708	.001780	.001771

(Source: Washington County Auditor)

DEBT STRUCTURE

Outstanding General Obligation Indebtedness

<u>Series</u>	<u>Purpose</u>	<u>Original Amount</u>	<u>Final Maturity Date</u>	<u>Current Balance Outstanding</u>
1997	Parks and Recreation	\$12,000,000	August 1, 2021	\$11,580,000
1999	Parks and Recreation	6,000,000	August 1, 2023	6,000,000

Outstanding Tax Increment Bond Indebtedness

<u>Series</u>	<u>Purpose</u>	<u>Original Amount</u>	<u>Final Maturity Date</u>	<u>Current Balance Outstanding</u>
1995A	Downtown	\$840,000	June 1, 2005	\$432,000
1995B	Downtown	\$835,000	June 1, 2005	\$362,000

Outstanding Revenue Indebtedness

<u>Series</u>	<u>Purpose</u>	<u>Original Amount</u>	<u>Final Maturity Date</u>	<u>Current Balance Outstanding</u>
1987B	Subordinated Water	\$1,273,713	January 1, 2013	\$ 1,273,713
1988A	Sewer	\$1,450,200	June 15, 2008	\$ 508,000
1988B	Sewer	\$ 129,750	June 15, 2008	\$ 129,750
1993	Sewer Refunding	\$7,180,000	June 15, 2007	\$ 4,835,000
1993	Water Refunding	\$18,525,000	June 1, 2016	\$14,220,000
1994	Wastewater	\$4,000,000	June 15, 2014	\$ 2,931,000
1994	Golf Refunding	\$4,158,000	April 1, 2006	\$ 2,090,000
1995A	Water Refunding	\$12,000,000	June 1, 2020	\$ 2,420,000
1996	Excise Tax Revenue	\$3,880,000	December 1, 2006	\$ 2,595,000
1997A	Sewer	\$14,280,000	June 15, 2017	\$13,715,000
1997B	Sewer	\$12,000,000	June 15, 2012	\$10,858,000
1997C	Sewer	\$44,000	June 15, 2017	\$44,000
2001	Water Refunding	\$8,670,000	June 1, 2020	\$ 8,670,000
2000	Golf appreciation bonds	\$900,000	April 1, 2009	\$ 900,000

Outstanding Lease Purchase Indebtedness

<u>Series</u>	<u>Purpose</u>	<u>Original Amount</u>	<u>Final Maturity Date</u>	<u>Current Balance Outstanding</u>
1999A	MBA Refunding	\$6,270,000	September 1, 2017	\$5,575,000
1998	Holt purchase	\$400,000	October 1, 2008	\$339,000
1999	Crosby purchase	\$2,250,000	July 15, 2009	\$2,087,000
2000	MBA Woodward	\$350,000	April 1, 2021	\$350,000

Outstanding Special Assessment Indebtedness

<u>Series</u>	<u>Purpose</u>	<u>Original Amount</u>	<u>Final Maturity Date</u>	<u>Current Balance Outstanding</u>
1992	SID 88-3	\$1,635,000	July 15, 2002	\$ 330,000
1994	SID 93-1	\$1,872,000	December 1, 2004	\$ 750,000

Outstanding Special Assessment Indebtedness (continued)

1997	SID 96-1	\$221,393	April 1, 2008	\$ 166,000
1998	SID 97-1	\$265,212	August 1, 2008	\$ 223,000
1999	SID97-2	\$1,650,826	November 1, 2009	\$1,523,000
2000	SID98-1	\$400,126	December 15, 2009	\$ 369,000

Debt Ratios

Direct General Obligation Debt is .86% of 2000 Taxable Value.

Total Direct and Overlapping General Obligation Debt is % of 2000 Taxable Value

Per Capita Direct General Obligation Debt is \$420 based on the estimated population of 50,000.

Per Capita Direct and Overlapping General Obligation Debt is \$ based on estimated population.

City of St. George, UT
Continuing Disclosure - 1997A Sewer Revenue Bonds
Fiscal Year Ended June 30, 2001

Table 1 - Sewer Fees by Fiscal Year per Entity

Entity	Fiscal Year Ended June 30				
	2001	2000	1999	1998	1997
City of St. George	\$ 4,429,832	\$ 4,139,779	\$ 3,919,644	\$ 3,678,003	\$ 3,154,318
Washington City	543,407	543,933	517,806	453,347	342,363
City of Santa Clara	228,085	218,747	209,581	196,911	163,001
Town of Ivins	246,445	217,917	185,870	156,111	99,954
	<u>\$ 5,447,769</u>	<u>\$ 5,120,376</u>	<u>\$ 4,832,901</u>	<u>\$ 4,484,372</u>	<u>\$ 3,759,636</u>

(Source: The City)

Table 2 - Sewer Connections by Fiscal Year per Entity

Entity	Fiscal Year Ended June 30				
	2001	2000	1999	1998	1997
City of St. George	25,815	24,521	23,238	21,740	20,828
Washington City	3,167	2,999	2,870	2,643	2,484
City of Santa Clara	1,329	1,293	1,241	1,184	1,164
Town of Ivins	1,436	1,352	1,166	989	800
	<u>31,747</u>	<u>30,165</u>	<u>28,515</u>	<u>26,556</u>	<u>25,276</u>

City of St. George, UT
Continuing Disclosure - 1997A Sewer Revenue Bonds
Fiscal Year Ended June 30, 2001

Enterprise Fund - Wastewater Collection
Balance Sheet

	Fiscal Year Ended June 30				
	2001	2000	1999	1998	1997
Assets:					
Current Assets:					
Cash	\$ 2,892,577	\$ 2,661,543	\$ 2,622,309	\$ 3,245,973	\$ 941,876
Accts Rec./Due from other funds	-	-	18,786	626	3,299,940
Total current assets	<u>2,892,577</u>	<u>2,661,543</u>	<u>2,641,095</u>	<u>3,246,599</u>	<u>4,241,816</u>
Property Plant & Equipment	5,028,433	4,718,372	4,614,821	4,503,154	4,273,172
Accumulated depreciation	<u>(2,968,228)</u>	<u>(2,653,193)</u>	<u>(2,335,728)</u>	<u>(1,994,335)</u>	<u>(1,638,515)</u>
Net property, plant & equipment	<u>2,060,205</u>	<u>2,065,179</u>	<u>2,279,093</u>	<u>2,508,819</u>	<u>2,634,657</u>
Total Assets	<u>\$ 4,952,782</u>	<u>\$ 4,726,722</u>	<u>\$ 4,920,188</u>	<u>\$ 5,755,418</u>	<u>\$ 6,876,473</u>
Liabilities and fund equity:					
Current Liabilities:					
Accrued liabilities	\$ 15,510	\$ 12,633	\$ 9,719	\$ 21,193	\$ 12,733
Total current liabilities	<u>15,510</u>	<u>12,633</u>	<u>9,719</u>	<u>21,193</u>	<u>12,733</u>
Total Liabilities	<u>15,510</u>	<u>12,633</u>	<u>9,719</u>	<u>21,193</u>	<u>12,733</u>
Fund Equity:					
Contributed capital:					
Subdivisions	580,629	580,629	580,629	580,629	580,629
Government agencies	<u>1,471,195</u>	<u>1,471,195</u>	<u>1,471,195</u>	<u>1,471,195</u>	<u>1,471,195</u>
Total contributions	<u>2,051,824</u>	<u>2,051,824</u>	<u>2,051,824</u>	<u>2,051,824</u>	<u>2,051,824</u>
Retained Earnings:					
Unreserved/unrestricted	<u>2,885,448</u>	<u>2,662,265</u>	<u>2,858,645</u>	<u>3,682,401</u>	<u>4,811,916</u>
Total retained earnings	<u>2,885,448</u>	<u>2,662,265</u>	<u>2,858,645</u>	<u>3,682,401</u>	<u>4,811,916</u>
Total fund equity	<u>4,937,272</u>	<u>4,714,089</u>	<u>4,910,469</u>	<u>5,734,225</u>	<u>6,863,740</u>
Total liabilities and equity	<u>\$ 4,952,782</u>	<u>\$ 4,726,722</u>	<u>\$ 4,920,188</u>	<u>\$ 5,755,418</u>	<u>\$ 6,876,473</u>

City of St. George, UT
Continuing Disclosure - 1997A Sewer Revenue Bonds
Fiscal Year Ended June 30, 2001

Enterprise Fund - Wastewater Treatment
Balance Sheet

	Fiscal Year Ended June 30				
	2001	2000	1999	1998	1997
Assets:					
Current Assets:					
Cash	\$ 8,460,346	\$ 7,287,391	\$ 4,082,026	\$ 1,975,184	\$ 417,647
Restricted cash	6,254,401	5,789,175	9,148,404	11,355,971	993,778
Bond discounts & insurance	401,275	438,261	475,247	512,234	190,504
Prepaid expenses	66,650	104,120	-	-	-
Total current assets	15,182,672	13,618,947	13,705,677	13,843,389	1,601,929
Property Plant & Equipment	45,066,216	44,817,154	43,486,418	34,232,024	24,601,371
Accumulated depreciation	(5,154,529)	(4,299,167)	(3,447,637)	(2,784,308)	(2,325,915)
Net property, plant & equipment	39,911,687	40,517,987	40,038,781	31,447,716	22,275,456
Total Assets	\$ 55,094,359	\$ 54,136,934	\$ 53,744,458	\$ 45,291,105	\$ 23,877,385
Liabilities and fund equity:					
Current Liabilities:					
Accrued liabilities	\$ 77,212	\$ 81,011	\$ 1,323,170	\$ 1,300,828	\$ 52,058
Due to other funds	-	-	-	-	1,770,460
Total current liabilities	77,212	81,011	1,323,170	1,300,828	1,822,518
Bonds payable	33,020,272	35,316,750	36,558,750	30,694,750	11,791,750
Total Liabilities	33,097,484	35,397,761	37,881,920	31,995,578	13,614,268
Fund Equity:					
Contributed capital:					
Subdivisions	-	-	-	-	-
Government agencies	2,761,568	2,761,568	2,761,568	2,761,568	2,761,568
Total contributions	2,761,568	2,761,568	2,761,568	2,761,568	2,761,568
Retained Earnings:					
Restricted for bond retirement	6,254,401	5,789,175	9,148,404	4,312,227	993,778
Unreserved/unrestricted	12,980,906	10,188,430	3,952,566	6,221,732	6,507,771
Total retained earnings	19,235,307	15,977,605	13,100,970	10,533,959	7,501,549
Total fund equity	21,996,875	18,739,173	15,862,538	13,295,527	10,263,117
Total liabilities and equity	\$ 55,094,359	\$ 54,136,934	\$ 53,744,458	\$ 45,291,105	\$ 23,877,385

City of St. George, UT
Continuing Disclosure - 1997A Sewer Revenue Bonds
Fiscal Year Ended June 30, 2001

Enterprise Fund - Wastewater Collection
Statement of Revenues, Expenditures, and Changes in Retained Earnings

	Fiscal Year Ended June 30				
	2001	2000	1999	1998	1997
Operating revenues:					
Charges for services	\$ 5,505,002	\$ 4,662,145	\$ 3,985,142	\$ 3,357,626	\$ 2,624,138
Impact and connection fees	-	-	-	-	-
Other operating revenues	241,495	213,180	231,090	215,880	497,900
Total operating revenues	5,746,497	4,875,325	4,216,232	3,573,506	3,122,038
Operating expenses:					
Salary & Wages	349,698	320,351	337,529	329,075	280,951
Deprecation	315,035	317,465	341,393	355,821	276,462
Bad debts	27,543	23,226	19,858	16,716	13,000
Payroll tax & employee benefits	147,090	129,413	136,019	135,363	114,083
Office & department supplies	18,396	37,242	40,743	42,877	36,795
Professional services	5,315	11,501	59,210	17,530	37,779
Repair & maintenance - equipment	97,456	79,432	64,462	114,881	72,569
Repair & maintenance - bldg & grounds	9,900	9,367	7,971	8,892	9,344
Insurance & surety bonds	20,720	11,123	11,990	8,587	9,649
Travel	6,811	8,311	4,488	2,918	3,623
Contract labor	4,438,834	4,139,779	3,919,644	3,678,003	3,154,318
Billing and administration	253,000	257,805	246,500	155,000	155,000
Total operating expenses	5,689,798	5,345,015	5,189,807	4,865,663	4,163,573
Operating income (loss)	56,699	(469,690)	(973,575)	(1,292,157)	(1,041,535)
Non-operating revenues (expenses)					
Interest income	166,484	148,022	149,819	162,642	188,045
Miscellaneous income	-	125,288	-	-	506
Total non-operating revenue (expense)	166,484	273,310	149,819	162,642	188,551
Net Income	223,183	(196,380)	(823,756)	(1,129,515)	(852,984)
Retained earnings at beginning of year	2,662,265	2,858,645	3,682,401	4,811,916	5,664,900
Retained earnings at end of year	\$2,885,448	\$2,662,265	\$2,858,645	\$3,682,401	\$4,811,916

City of St. George, UT
Continuing Disclosure - 1997A Sewer Revenue Bonds
Fiscal Year Ended June 30, 2001

Enterprise Fund - Wastewater Treatment
Statement of Revenues, Expenditures, and Changes in Retained Earnings

	Fiscal Year Ended June 30				
	2001	2000	1999	1998	1997
Operating revenues:					
Charges for services	\$ 5,447,769	\$ 5,131,073	\$ 4,832,901	\$ 4,484,372	\$ 3,759,636
Impact and connection fees	-	-	-	-	-
Other operating revenues	1,112,969	1,173,928	904,893	1,058,282	410,766
Total operating revenues	6,560,738	6,305,001	5,737,794	5,542,654	4,170,402
Operating expenses:					
Salary & Wages	624,224	569,265	528,024	402,691	316,373
Supplies	461,604	398,618	267,309	334,143	256,962
Equipment rental	2,696	2,018	1,453	2,890	2,805
Deprecation	855,361	851,531	663,329	458,393	419,415
Payroll tax & employee benefits	245,307	215,617	195,488	153,311	106,449
Office & department supplies	54,307	44,793	73,619	110,227	58,111
Professional services	120,441	119,531	130,499	169,501	88,527
Repair & maintenance - equipment	320,458	291,739	412,389	213,176	185,474
Repair & maintenance - bldg & grounds	38,915	3,102	1,438	1,227	1,523
Insurance & surety bonds	29,345	21,151	22,479	20,391	31,886
Travel	10,436	9,736	7,905	7,555	4,800
Billing and administration	245,000	365,083	220,000	220,000	220,000
Total operating expenses	3,008,094	2,892,184	2,523,932	2,093,505	1,692,325
Operating income (loss)	3,552,644	3,412,817	3,213,862	3,449,149	2,478,077
Non-operating revenues (expenses)					
Interest income	890,212	720,676	631,286	701,753	89,127
Miscellaneous income	45,709	21,484	15,258	408	2,617
Interest charges	(1,230,862)	(1,278,342)	(1,293,395)	(1,118,900)	(550,554)
Total non-operating revenue (expense)	(294,941)	(536,182)	(646,851)	(416,739)	(458,810)
Net Income	3,257,703	2,876,635	2,567,011	3,032,410	2,019,267
Retained earnings at beginning of year	15,977,605	13,100,970	10,533,959	7,501,549	5,482,282
Retained earnings at end of year	\$ 19,235,308	\$ 15,977,605	\$ 13,100,970	\$ 10,533,959	\$ 7,501,549

City of St. George, UT
Continuing Disclosure - 1997A Sewer Revenue Bonds
Fiscal Year Ended June 30, 2001

Balance Sheet- General Fund

	Fiscal Year Ended June 30				
	2001	2000	1999	1998	1997
Assets and other debits:					
Cash	\$ 1,456,868	\$ 1,689,876	\$ 1,581,632	\$ 2,433,452	\$ 2,645,967
Accounts receivable (net of allowance)	1,917,791	1,743,314	1,498,658	1,565,238	1,256,163
Inventory	48,218	49,609	38,443	43,822	36,640
Due from other funds	-	-	28,088	28,088	28,088
Prepaid expenses	-	-	-	90,000	18,139
Notes receivable	664,352	589,348	424,933	-	-
Total assets and other debits	\$ 4,087,229	\$ 4,072,147	\$ 3,571,754	\$ 4,160,600	\$ 3,984,997
Liabilities:					
Accrued liabilities	\$ 70,806	\$ 61,655	\$ 29,857	\$ 43,972	\$ 127,747
Construction bonds held	99,781	93,850	81,875	96,342	73,145
Due to other funds	388,645	388,645	388,645	388,645	388,645
Deferred property taxes	-	-	-	625,000	585,000
Total liabilities	559,232	544,150	500,377	1,153,959	1,174,537
Fund equity and other credits:					
Fund Balances:					
Reserved by statute	66,350	101,426	155,674	63,526	59,273
Reserved for notes receivable	664,353	589,348	424,933	-	-
Unreserved - undesignated	2,797,294	2,837,223	2,490,770	2,943,115	2,751,187
Total fund equity and other credits	3,527,997	3,527,997	3,071,377	3,006,641	2,810,460
Total Liabilities, Equity, and other credits	\$ 4,087,229	\$ 4,072,147	\$ 3,571,754	\$ 4,160,600	\$ 3,984,997

City of St. George, UT
Continuing Disclosure - 1997A Sewer Revenue Bonds
Fiscal Year Ended June 30, 2001

Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Fund Types - General Fund

The following summary was extracted from the City's general purpose financial statements for the fiscal years ended June 30, 1997 through June 30, 2001. The summary has not been audited

	Fiscal Year Ended June 30				
	1997	1998	1999	2000	2001
REVENUES:					
Taxes and special assessments	\$13,058,793	\$13,877,051	\$14,155,766	\$15,087,379	\$16,117,048
Licenses and permits	914,563	974,139	1,017,029	1,074,999	1,169,019
Intergovernmental	1,087,426	2,071,624	2,342,404	2,363,853	2,506,070
Charges for services	2,430,919	2,827,836	3,596,639	3,679,499	3,752,768
Fines and forfeitures	466,646	397,018	459,420	646,262	862,925
Miscellaneous	43,823	51,793	120,223	64,088	132,945
Interest income	330,043	403,682	391,615	659,455	791,925
Rents and concessions	1,201	5,907	34,331	4,331	7,935
Proceeds from sale of property	-	-	-	-	56,477
Total revenues	18,333,414	20,609,050	22,117,427	23,579,866	25,397,112
EXPENDITURES:					
General government	2,391,938	2,685,261	3,107,515	3,335,747	3,035,366
Public safety	5,222,463	6,082,104	6,346,946	7,344,769	7,008,832
Highways and public improvements	4,375,437	4,889,735	6,061,190	5,971,003	6,331,930
Parks, recreation and public prop.	3,481,714	3,835,310	4,482,507	4,501,654	5,546,456
Community and economic development	270,974	264,213	343,239	329,645	874,723
Capital projects	-	-	-	-	-
Debt service:					
Principal	65,000	200,000	-	-	-
Interest and other charges	3,868	701,366	-	-	-
Capital leases	-	148,103	54,153	128,673	118,489
Total expenditures	15,811,394	18,806,092	20,395,550	21,611,491	22,915,796
Excess (deficiency of Revenues over Expenditures)	2,522,020	1,802,958	1,721,877	1,968,375	2,481,316
OTHER FINANCING SOURCES (USES):					
Proceeds of bond sales/capital leases	-	-	260,600	23,760	-
Contributions from other entities	-	-	-	301,895	-
Operating transfers out	(2,246,664)	(1,650,000)	(2,023,114)	(2,350,194)	(3,027,556)
Operating transfers in	-	-	-	571,456	546,240
Proceeds from sale of fixed assets	28,222	43,223	105,373	28,781	-
Total other financing sources (uses)	(2,218,442)	(1,606,777)	(1,657,141)	(1,424,302)	(2,481,316)
Excess of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	303,578	196,181	64,736	544,073	-
Residual equity transfer to PFC Spec Rev Fund	-	-	-	(87,453)	-
Unappropriated Fund Balances at the beginning of the year	2,507,038	2,810,460	3,006,641	3,071,377	3,527,998
Fund Balances at the end of year	\$ 2,810,616	\$ 3,006,641	\$ 3,071,377	\$ 3,527,997	\$ 3,527,998

(Source: City Audited Financials. This chart has not been audited.)

City of St. George, UT
Continuing Disclosure - 1997A Sewer Revenue Bonds
Fiscal Year Ended June 30, 2001

Historical Summaries of Taxable Values of Property

Set by County Assessor Locally Assessed	2000			1999			1998			1997			1996		
	Taxable Value	% of T.V.	Taxable Value	% of T.V.	Taxable Value	% of T.V.	Taxable Value	% of T.V.	Taxable Value	% of T.V.	Taxable Value	% of T.V.	Taxable Value	% of T.V.	Taxable Value
Residential Real Estate - primary use	\$ 283,690,180	10.24%	\$ 266,078,900	10.19%	\$ 230,889,336	9.88%	\$ 215,408,580	9.99%	\$ 175,982,275	9.99%	\$ 175,982,275	9.99%	\$ 175,982,275	9.99%	\$ 175,982,275
Residential Real Estate - Not primary use	76,584,604	2.76%	72,632,090	2.78%	70,520,030	3.02%	60,957,585	2.83%	29,055,060	2.83%	29,055,060	2.83%	29,055,060	2.83%	29,055,060
Commercial and Industrial Real Estate	213,237,455	7.69%	206,514,735	7.91%	130,964,286	5.61%	112,677,920	5.23%	106,801,015	5.23%	106,801,015	5.23%	106,801,015	5.23%	106,801,015
Agricultural Real Estate - Improved - Not F.A.A.	-	0.00%	-	#VALUE!	-	#VALUE!	-	#VALUE!	-	#VALUE!	-	#VALUE!	-	#VALUE!	-
Real Estate - Under FAA-Agricultural	671,160	0.02%	683,855	0.03%	628,365	0.03%	635,725	0.03%	763,460	0.03%	763,460	0.03%	763,460	0.03%	763,460
Unimproved Real Estate - Not F.A.A.	314,813,430	11.36%	300,249,175	11.50%	267,716,065	11.46%	255,915,915	11.87%	244,087,470	11.87%	244,087,470	11.87%	244,087,470	11.87%	244,087,470
Total Real Estate	888,996,829	32.07%	846,158,755	32.41%	700,718,082	29.99%	645,595,725	29.95%	556,689,280	29.95%	556,689,280	29.95%	556,689,280	29.95%	556,689,280
Residential Buildings - Primary use	877,794,562	31.67%	791,146,675	30.30%	721,043,835	30.86%	661,524,790	30.89%	640,535,570	30.89%	640,535,570	30.89%	640,535,570	30.89%	640,535,570
Residential Buildings - Not primary use	181,393,155	6.54%	163,661,765	6.27%	166,723,660	7.14%	184,863,530	7.65%	127,306,670	7.65%	127,306,670	7.65%	127,306,670	7.65%	127,306,670
Commercial and Industrial Buildings	369,658,240	13.34%	353,069,650	13.52%	306,504,355	13.12%	276,731,915	12.84%	230,541,285	12.84%	230,541,285	12.84%	230,541,285	12.84%	230,541,285
Agricultural Buildings	1,922,750	0.07%	982,155	0.04%	949,315	0.04%	872,145	0.04%	959,330	0.04%	959,330	0.04%	959,330	0.04%	959,330
Total Buildings	1,430,768,707	51.62%	1,308,860,245	50.13%	1,195,221,165	51.16%	1,103,992,380	51.22%	999,342,855	51.22%	999,342,855	51.22%	999,342,855	51.22%	999,342,855
Total Real Property	2,319,765,536	83.69%	2,155,019,000	82.53%	1,895,939,247	81.16%	1,749,588,105	81.17%	1,556,032,135	81.17%	1,556,032,135	81.17%	1,556,032,135	81.17%	1,556,032,135
Fee in Lieu Property	266,109,267	9.60%	262,864,082	10.07%	261,322,304	11.19%	241,115,116	11.19%	227,867,272	11.19%	227,867,272	11.19%	227,867,272	11.19%	227,867,272
Mobile Homes - Primary residential use	6,167,990	0.22%	6,020,680	0.23%	6,528,694	0.28%	5,289,843	0.25%	5,309,725	0.25%	5,309,725	0.25%	5,309,725	0.25%	5,309,725
Mobile Homes - other use	3,964,479	0.14%	4,173,942	0.16%	4,685,367	0.20%	3,911,423	0.18%	3,573,527	0.18%	3,573,527	0.18%	3,573,527	0.18%	3,573,527
Commercial and Industrial Property	-	0.00%	-	#VALUE!	-	#VALUE!	-	#VALUE!	-	#VALUE!	-	#VALUE!	-	#VALUE!	-
Agricultural Machinery	-	0.00%	-	#VALUE!	-	#VALUE!	-	#VALUE!	-	#VALUE!	-	#VALUE!	-	#VALUE!	-
Trade Fixtures	-	0.00%	-	#VALUE!	-	#VALUE!	-	#VALUE!	-	#VALUE!	-	#VALUE!	-	#VALUE!	-
Other Personal Property	108,190,378	3.90%	119,247,834	4.57%	107,683,580	4.61%	102,135,193	4.74%	98,439,238	4.74%	98,439,238	4.74%	98,439,238	4.74%	98,439,238
Total Personal Property	384,432,114	13.87%	392,306,538	15.02%	380,219,945	16.28%	352,451,575	16.35%	335,189,762	16.35%	335,189,762	16.35%	335,189,762	16.35%	335,189,762
Total Locally Assessed	2,704,197,650	97.56%	2,547,325,538	97.56%	2,276,159,192	97.43%	2,102,039,680	97.52%	1,891,221,897	97.52%	1,891,221,897	97.52%	1,891,221,897	97.52%	1,891,221,897
Total Centrally Assessed	67,505,746	2.44%	63,728,127	2.44%	59,974,578	2.57%	53,545,685	2.48%	47,445,524	2.48%	47,445,524	2.48%	47,445,524	2.48%	47,445,524
Total Taxable Value	\$2,771,703,396	100.00%	\$2,611,053,665	100.00%	\$2,336,133,770	100.00%	\$2,155,585,365	100.00%	\$1,938,667,421	100.00%	\$1,938,667,421	100.00%	\$1,938,667,421	100.00%	\$1,938,667,421

(Source: The Utah State Tax Commission)

WATER UTILITY FUND
ACTUAL REVENUES, EXPENSES, AND
DEBT SERVICE COVERAGE

Revenue Bond Debt Service

FISCAL YEAR ENDING '6/30	WATER SALES REVENUES	OTHER REVENUES (1)	INTEREST INCOME(2)	TOTAL REVENUES	O & M EXPENSE	NET REVENUES	2001 Refunding		1987A		1995A BOND DEBT SERVICE	TOTAL DEBT SERVICE	TOTAL DEBT SERVICE COVERAGE
							DEBT SERVICE	DEBT SERVICE	1993 BOND DEBT SERVICE	SUBORDINATED BOND DEBT SERVICE (3)			
1994	\$3,308,693	\$1,362,716	\$98,937	\$4,770,346	*****	\$2,497,832	\$0	\$1,403,088	\$105,000	\$0	\$1,508,088	1.66	
1995	3,577,831	1,258,983	155,853	4,992,667	2,655,611	2,337,056	0	1,404,602	105,000	0	1,509,602	1.55	
1996	4,491,524	849,095	281,225	5,621,844	2,936,721	2,685,123	0	1,402,324	0	0	1,402,324	1.91	
1997	5,037,979	967,802	182,394	6,188,175	3,439,713	2,748,462	0	1,402,524	0	947,405	2,349,929	1.17	
1998	5,873,537	1,310,752	93,807	7,278,096	3,549,117	3,728,979	0	1,405,894	0	945,225	2,351,119	1.59	
1999	6,841,327	1,224,462	90,969	8,156,758	3,294,653	4,862,105	0	1,402,404	0	947,325	2,349,729	2.07	
2000	8,119,704	1,152,668	56,275	9,328,647	3,473,830	5,854,817	0	1,401,644	0	943,465	2,345,109	2.50	
2001	8,069,746	1,482,915	67,356	9,620,017	3,614,709	6,005,308	192,340	1,403,564	0	943,840	2,539,744	2.36	

(1) Other Revenues consist of impact fees and connection fees.

(2) Interest Income consists of interest earnings on various funds and accounts of the System.

(3) The 1987A Subordinated Bonds were refunded by the 1995A Bonds in 1996 fiscal year.

WATER UTILITY ENTERPRISE FUND BALANCE SHEET

Fiscal Year Ended June 30

	2001	2000	1999	1998	1997	1996	1995
ASSETS							
Current Assets:							
Cash	(\$1,610,658)	(\$1,928,615)	(\$2,563,135)	(\$2,557,359)	(\$1,363,803)	(\$867,708)	(\$2,247,861)
Restricted Cash	503,051	501,491	488,462	542,306	294,112	3,920,916	350,235
Accts. Receivable	0	14,458	253,361	125,357	19,631	32,148	0
Inventory	204,847	193,012	228,701	163,863	182,998	138,576	156,016
Bond Discounts	906,268	900,761	954,132	1,007,502	1,060,872	1,114,243	874,917
Prepaid Expenses	2,831	2,831	2,831	2,831	2,831	2,831	2,831
Total Current Assets	6,339	(316,062)	(635,648)	(715,500)	196,641	4,341,006	(863,862)
Property, Plant & Equipment							
Improvements	64,267,588	61,216,149	58,489,364	55,054,334	52,660,851	48,205,893	41,899,843
Less Accum. Depr.	(12,103,419)	(10,785,726)	(9,535,966)	(8,354,907)	(7,249,542)	(6,257,454)	(5,404,313)
Net prop. plant & equip.	52,164,169	50,430,423	48,953,398	46,699,427	45,411,309	41,948,439	36,495,530
TOTAL ASSETS	\$52,170,508	\$50,114,361	\$48,317,750	\$45,983,927	\$45,607,950	\$46,289,445	\$35,631,668
LIABILITIES & FUND EQUITY							
Current Liabilities:							
Accrued Liabilities	\$338,804	\$388,017	\$744,945	\$624,236	\$355,661	\$273,514	\$498,098
Total Current Liabilities	338,804	388,017	744,945	624,236	355,661	273,514	498,098
Long-Term Liabilities:							
Bonds Payable	26,583,713	26,878,713	27,788,713	28,823,713	29,813,713	30,763,713	20,983,713
Capital leases	484,831	569,288	650,000	-	-	-	-
Deferred gain on bond redemption	-	485,496	509,771	534,046	558,320	582,595	-
Total long-term liabilities	27,068,544	27,933,497	28,948,484	29,357,759	30,372,033	31,346,308	20,983,713
TOTAL LIABILITIES	\$27,407,348	\$28,321,514	\$29,693,429	\$29,981,995	\$30,727,694	\$31,619,822	\$21,481,811
FUND EQUITY							
Contributed Capital:							
Subdivisions	\$278,131	\$278,131	\$278,131	\$203,548	\$203,548	\$203,548	\$203,548
Government Agencies	1,615,652	1,615,652	1,615,652	1,301,095	1,301,095	1,301,095	1,301,095
Total Contributions	1,893,783	1,893,783	1,893,783	1,504,643	1,504,643	1,504,643	1,504,643
Retained Earnings:							
Reserved for bond retirement	503,051	501,491	488,462	542,306	294,112	3,920,916	350,235
Unreserved	22,366,326	19,397,573	16,242,076	13,954,983	13,081,501	9,244,064	12,294,979
Total retained earnings	22,869,377	19,899,064	16,730,538	14,497,289	13,375,613	13,164,980	12,645,214
TOTAL FUND EQUITY	\$24,763,160	\$21,792,847	\$18,624,321	\$16,001,932	\$14,880,256	\$14,669,623	\$14,149,857
TOTAL LIABILITIES & EQUITY	\$52,170,508	\$50,114,361	\$48,317,750	\$45,983,927	\$45,607,950	\$46,289,445	\$35,631,668

Source: City's Comprehensive Annual Financial Reports

WATER UTILITY ENTERPRISE FUND
STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN RETAINED EARNINGS

Fiscal Year Ended June 30

	2001	2000	1999	1998	1997	1996	1995
Operating Revenues:							
Charges for services	\$8,069,746	\$8,119,704	\$6,841,327	\$5,873,537	\$5,037,979	\$4,491,524	\$3,577,831
Impact fees & Other	1,482,915	1,152,668	1,224,462	1,310,752	967,802	849,095	1,258,983
Total operating revenues	9,552,661	9,272,372	8,065,789	7,184,289	6,005,781	5,340,619	4,836,814
Operating Expenses:							
Water purchased	566,048	412,168	394,026	588,828	561,478	619,348	525,458
Salary and Wages	1,092,805	1,002,666	1,048,225	900,022	792,463	730,600	692,181
Service vehicle expense	55,495	35,572	45,350	46,990	43,109	35,481	32,153
Equipment rental	10,419	16,456	4,785	13,185	13,556	12,675	9,998
Depreciation	1,317,693	1,249,760	1,181,060	1,105,365	992,087	853,141	570,224
Bad debts	40,410	40,132	33,856	27,975	25,427	21,490	17,585
Payroll tax & benefits	433,830	370,695	392,089	345,910	295,034	276,282	274,685
Office supplies	40,124	506,418	358,145	405,037	348,774	323,033	323,522
Professional services	112,481	193,896	160,587	135,674	166,005	100,329	89,619
R & M - equipment	685,497	389,859	301,912	604,853	726,108	396,067	324,428
Insurance & surety bonds	80,152	27,986	36,377	31,280	35,683	22,647	33,881
Travel	12,246	15,369	15,064	13,022	14,501	8,768	8,995
Miscellaneous	307	-	7,342	81	52	75	26
Subscriptions	2,395	1,813	2,095	2,940	2,523	1,226	2,480
Billing & administration	482,500	460,800	494,800	433,320	415,000	388,700	320,600
Total operating expenses	4,932,402	4,723,590	4,475,713	4,654,482	4,431,800	3,789,862	3,225,835
Operating income	4,620,259	4,548,782	3,590,076	2,529,807	1,573,981	1,550,757	1,610,979
Non-operating Rev. (Exp.):							
Interest income	67,357	56,275	90,969	93,807	182,394	281,225	155,853
Miscellaneous	(196,144)	25,179	25,179	25,179	22,030	0	0
Interest charges	(1,521,159)	(1,461,710)	(1,472,975)	(1,527,117)	(1,567,771)	(1,312,217)	(947,717)
Total Non-operating	(1,649,946)	(1,380,256)	(1,356,827)	(1,408,131)	(1,363,347)	(1,030,992)	(791,864)
Net Income (loss)	2,970,313	3,168,526	2,233,249	1,121,676	210,634	519,765	819,115
Retaining earnings at July 1	19,899,064	16,730,538	14,497,289	13,375,613	13,164,979	12,645,214	11,826,099
Retained earnings at June 30	\$22,869,377	\$19,899,064	\$16,730,538	\$14,497,289	\$13,375,613	\$13,164,979	\$12,645,214

Source: City's Comprehensive Annual Financial Reports

CITY OF ST. GEORGE, UT

Continuing Disclosure - 1997A Washington County/St. George Interlocal Agency
June 30, 2001

Pursuant to the Continuing Disclosure Agreement for the above referenced bonds.

Sublease Rentals

The following table shows the revenues produced from the imposition of the Innkeepers Tax for the years shown:

<u>Fiscal Year</u> <u>Ended June 30</u>	<u>Innkeepers Tax</u> <u>Revenue</u>
1995	\$102,821 (1)
1996	199,404
1997	203,471
1998	219,452
1999	239,049
2000	250,450
2001	244,486

(1) Represents collections from January 1, 1995 thru June 30, 1995.

The following table shows the total sales tax revenues collected in the City of St. George for the last five years.

<u>Fiscal Year</u> <u>June 30</u>	<u>Sales Tax</u> <u>Revenues</u>	<u>Percent Increase</u> <u>from prior year</u>
1995	\$5,662,000	17.1%
1996	6,335,000	11.8%
1997	6,602,000	4.2%
1998	6,917,000	4.8%
1999	7,461,000	7.9%
2000	8,133,000	9.0%
2001	8,538,437	4.99%

Tax Revenues by Source (Last ten fiscal years)

See Statistical section of CAFR - Table III

Debt Structure

See Statistical section of CAFR - Tables IX and X

Debt Ratios

See continuing disclosure on 1996 General Obligation Parks and Recreation bonds

Historical Summaries of taxable value

See continuing disclosure on 1997A Sewer Revenue bonds

CITY OF ST. GEORGE, UT

Continuing Disclosure - 1998A Municipal Building Authority Lease Revenue Refunding bonds
June 30, 2001

In accordance with the continuing disclosure agreement for the above referenced bonds;

**ALL DISCLOSURES ARE MADE IN DISCLOSURE DOCUMENTS FOR
PRIOR ISSUES CONTAINED IN THIS REPORT.**